

RESOLUTION 25-R-095

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AUTHORIZING A CONTRACT FOR AUDITING SERVICES.

WHEREAS, the City of Schertz (the “City”) has a need to engage the services of an auditing firm after the expiration of the previous contract; and

WHEREAS, on April 15, 2025 the City solicited proposals for Auditing Services; and

WHEREAS, the Finance Department and the Audit Committee has selected ABIP, PC; and

WHEREAS, the City has deemed it in the best interest to select ABIP, PC as the city’s new auditors.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS THAT:

Section 1. The City Council hereby authorizes the City Manager to enter into an agreement with ABIP, PC for auditing services as described in their RFP response in Exhibit A.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 3. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND APPROVED on the _____ day of _____, 2025.

CITY OF SCHERTZ, TEXAS

Ralph Gutierrez, Mayor

ATTEST:

Sheila Edmondson, City Secretary

EXHIBIT A

RFP Response by ABIP, PC

CITY OF SCHERTZ, TEXAS



Financial Auditing Services – RFP #2025-009

Fiscal Years Ending September 30, 2025
through September 30, 2027

Michael Del Toro, CPA
Partner

www.abipcpa.com
mdeltoro@abipcpa.com
(210) 341-2581

abip, PC
7330 San Pedro Avenue, Suite 901
San Antonio, Texas 78216

May 2, 2025

abip
CPAs | ADVISORS

CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**

LETTER OF TRANSMITTAL

May 2, 2025

City of Schertz, Texas
1400 Schertz Parkway
Schertz, Texas 78154

abip, PC (abip) is pleased to have the opportunity to submit this response to the request for proposals to provide professional financial auditing services to the **City of Schertz, Texas** ("the City") and its component units, for the fiscal years ending September 30, 2025 through September 30, 2027 with the option to renew for an additional two years. The remainder of this document highlights the qualifications and benefits **abip's** Texas municipality entities audit professionals will provide to your City for an efficient, cost-effective audit.

The City needs an accounting firm that understands the challenges facing Texas municipalities financial reporting. You also want to work with professionals who share your same commitment to quality service and are dedicated to building a long-term, responsive relationship with your City.

With **abip**, you get audit services from senior professionals who focus on Texas municipalities and local governmental entities. You also experience a collaborative culture, have direct access to top technical resources, and receive straightforward, proactive communication delivered through a centralized, committed, and knowledgeable client service team. In addition to addressing your immediate audit needs, **abip** is ready to leverage our resources and capabilities to support your financial and internal control strategies.

The Audit Will Be Performed in Accordance with the Following Standards:

- Generally Accepted Auditing Standards adopted by the AICPA
- Financial, Compliance, and Internal Control Requirements with *Government Auditing Standards*
- Provisions of the Federal Single Audit Act of 1984, as amended
- Provisions of the U.S. Office of Management and Budget Uniform Guidance
- Requirements of the State of Texas Single Audit Circular in accordance with *Uniform Grants Management Standards* of the State of Texas
- Provisions of relevant Governmental Accounting Standards Board statements on auditing standards
- Compliance with Policies and Procedures Established by the City
- Standards set forth in the Government Finance Officers Association's (GFOA) Governmental Accounting, Auditing and Financial Reporting for the GFOA's Certificate of Achievement for Excellence in Financial Reporting
- Applicable State and Federal Laws and Regulations

abip's evaluation of the City's internal controls will provide public confidence that your financial statements are fairly stated and that the City has complied with relevant laws and regulations.

We will perform specific audit procedures on the accounts of the City in order to form an opinion on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles. In addition, we will perform limited procedures on the required supplementary information that is presented in the financial statements. The specific audit procedures are determined each year based on the results of our planning and risk assessment.

We are Different from Other Firms

Our Professionals are Focused on Texas Municipalities and Other Local Governments

- No need to train or educate our team on the basics of your City
- Minimal interruptions to your staff's day-to-day operations
- Team member continuing education is focused on local government accounting and auditing
- Federal and state agency experience you can rely on

Our Partners and Senior Managers are Actively Involved in all Aspects of the Engagement

- Engagement team stability
- No surprises – technical issues and questions are resolved during the audit
- Prompt and clear communication throughout the audit
- Year-round resource for information and advice

We are a Full-Service Firm with Extensive Resources Such as Cybersecurity and Forensics

- That makes **abip** a one-stop-shop for various resources

Members of the Special Review Committee for the Government Finance Officers Association of the Annual Comprehensive Financial Report Certificate Program

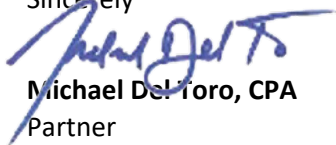
- Easy reviewing, editing, and confidence in retaining your Certificate of Achievement for Excellence in Financial Reporting

Your Engagement Team

Your team, led by Michael Del Toro, is made up of industry leaders who are experienced with the technical assignments like yours. They understand that you have key concerns when it comes to choosing your accounting professionals and are dedicated to addressing your requirements.

Our San Antonio office is located at 7330 San Pedro Avenue, Suite 901, San Antonio, Texas 78216, telephone (210) 341-2581. I will serve as your engagement partner for the City's audit should we be selected as your independent auditors. As an authorized representative of the firm, I am empowered to submit this request for proposal and to sign a contract with the City. This proposal is a firm and irrevocable offer valid for a minimum of ninety (90) days from the date of this proposal. If we can be of any assistance or answer any questions concerning this request for proposal, please feel free to call me at **(210) 341-2581** or email to **mdeltoro@abipcpa.com**.

Sincerely



Michael Del Toro, CPA
Partner

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3.2.1 OVERVIEW OF PROPOSED SYSTEM / SCOPE OF SERVICES

Firm Qualifications and Experience

abip is a regional firm with fully staffed offices in Houston, San Antonio and New Braunfels, Texas. The services you have requested will be coordinated from and provided by the San Antonio office. **abip** has over 150 employees on staff, 13 of which are governmental auditors. **abip** provides accounting, auditing, consulting, and tax planning and preparation services to various industries such as municipalities, governmental, nonprofit, employee benefit plans, real estate, oil and gas, health care, construction, manufacturing, technology, and professional service companies.

Our audit will be performed in accordance with generally accepted auditing standards, *Government Auditing Standards*, the provisions of the Federal Single Audit Act of 1996, the Uniform Guidance, 2 CFR Part 200 requirements and related Compliance Supplement, if applicable, the standards set forth in the Government Finance Officers Association's (GFOA) *Governmental Accounting, Auditing, and Financial Reporting* for the GFOA's Certificate of Achievement for Excellence in Financial Reporting, and the *State of Texas Public Investment Funds Act*. In addition, it is our standard practice to issue a management letter with appropriate recommendations for improvement as part of the audit process.

The partners of your engagement team have over 55 combined years of experience auditing clients similar to the City of Schertz, Texas. Our partners and managers are highly involved in the day to day fieldwork which will allow us to supervise our staff, catch any major issue early and be available for questions. The staff assigned to your audit will be scheduled on a full-time basis without the use of subcontractors, joint venture, or consortium.

CPE Provided by abip

abip is registered with the Texas State Board of Public Accountancy to sponsor continuing professional education. Our sponsor ID number is 010075. We are able to provide CPE to the City staff on a variety of topics; specifically related to the new GASB Standards that continue to be issued.

Preparation of the Annual Comprehensive Financial Report

abip is experienced in preparing Annual Comprehensive Financial Reports for cities and other local government entities. We follow the necessary checklist from the GFOA and review the Governmental Accounting Auditing and Financial Reporting (GAAFR) manual, published by the GFOA, periodically for examples when new reporting requirements are identified. The Partners are members of the Special Review Committee for the Government Finance Officers Association. This ensures easy reviewing, editing, and confidence in retaining your Certificate of Achievement for Excellence in Financial Reporting. The firm has prepared over ten Annual Comprehensive Financial Reports over the past two years.

Licensed to Practice in the State of Texas

abip and the key staff assigned to this request for proposal are licensed to practice in the State of Texas.

Independence

At **abip**, we take the utmost care in determining that our firm and staff are independent with respect to the governmental client. We determine independence prior to making a decision to submit our proposal by complying with our quality control standards and standards prescribed by *Government Auditing Standards*.

We are independent with respect to the City of Schertz, Texas (the City) and its component units, as defined by Generally Accepted Auditing Standards and the U.S. General Accounting Office's *Government Auditing Standards*; there have been no prohibited transactions including direct or indirect financial interest with the City, and no one on our staff is related to City personnel or any member of the City Council. **abip** does not have prior engagements with the City.

Proposed Solution - Audit Approach

abip will audit the financial statements of the City of Schertz, Texas for the fiscal years ending September 30, 2025 through September 30, 2027 in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the audit requirements of the Uniform Guidance, and the audit requirements of the Texas Grant Management Standards.

Phase 1 – Planning & Risk Assessment

Planning and risk assessment is essential to ensure a quality audit, efficient use of professional team members, timely delivery of reports and other letters, and to reach the objectives agreed to in the engagement letter. Efficient planning minimizes disruption to your operations.

Planning Procedures Include, But Are Not Limited To:

- Preliminary consideration of audit risk and materiality
- The effects of computer processing
- Understanding of the City's:
 - Environment
 - Determining laws and regulations that affect the City's financial reporting and compliance that are material to the financial statements
 - Operations
 - Organizational charts
 - Annual budget
 - Internal control structure over major financial process
- Preliminary analytical review of the current year financial statements to prior year results and the current year annual budget
- Review of the City's minutes from City Council meetings and subcommittees
- Consideration of risk of material misstatement due to fraud

Planning and risk assessment activities conclude with an audit strategy focused on areas of the City based on risk and/or materiality through a specifically **tailored audit program**.

Phase 2 – Audit Fieldwork

Audit fieldwork is the completion of the audit approach specifically tailored for the City through the risk assessment. The approach focuses on procedures to test management's assertions over the financial statements.

The Assertions Are:

Assertion	Description
Existence or Occurrence	Assets and liabilities actually exist at the balance sheet date, and transactions reported in the operating statement actually occurred during the period covered.
Completeness	Transactions and accounts that should be included in the financial statements are included, and there are no undisclosed assets, liabilities, or transactions.
Accuracy	Amounts and other data relating to recorded transactions and events have been recorded accurately.
Rights and Obligations	Clear title to the assets, the liabilities are obligations of the City, and the City was actually a party to the reported transactions.
Cutoff	Transactions and events have been recorded in the correct accounting period.
Valuation or Allocation	Assets and liabilities are valued properly, and the revenues and expenses are measured properly.
Presentation and Disclosure	Assets, liabilities, revenues, and expenses are properly described and disclosed in the financial statements.

Audit Procedures Include:

- Inquiry of City personnel
- Analytical procedures
- Observation of processes
- Testing general ledger balances
- Inspection of policies and procedures
- Reperformance of calculations
- Confirmation of accounts
- Compliance testing for single audits

Phase 3 – Audit Conclusion

The audit conclusion is the finalization of the audit approach. It consists of the following:

- Final reviews of the fieldwork procedures to ensure an effective audit in accordance with professional standards
- Final analytical review of financial reporting
- Conclude on audit completion checklists

Phase 4 – Audit Finalization

Audit finalization is formalizing the finale of the audit services. Finalization consists of:

- Preparing the annual comprehensive financial report
- Completion of the disclosure checklist
- Obtaining the representation letter from the City's management
- Finalizing the independent auditors reporting letters and the management letter
- Presentation of audit results and auditor reports to City management and City Council

3.2.2 SECTION 6 – EXECUTION OF OFFER

REQUEST FOR PROPOSAL

SECTION 6

EXECUTION OF OFFER

Proposal of: abip, PC
(Proposer Company Name)

To: **The City of Schertz**

RFP Title: **Financial Auditing Services**

RFP#: **2025-009**

This Proposal shall remain in effect for the Proposal Validity Period (ref Section 3.3) and shall be exclusive of federal excise and state and local sales tax (exempt).

The person signing this Response on behalf of the Offeror represents to Owner that:

- (1) The information provided herein is true, complete and accurate to the best of the knowledge and belief of the undersigned; and
- (2) He/she has full authority to execute this Response on behalf of Offerors.
- (3) Offeror has received the Addenda to this RFP, specifically, Addenda numbered N/A.

Executed this 2nd day of May, 2025.

abip, PC
Entity Name


Signature

7330 San Pedro Avenue, Suite 901
Street & Mailing Address

Michael Del Toro
Print Name of Signatory

San Antonio, Texas 78216
City, State, and Zip

Partner
Title of Signatory

(210) 341-2581
Telephone Number

(210) 341-2588
Fax Number

mdeltoro@abipcpa.com
Email Address

(210) 341-2581
Mobile Number

3.2.3 SECTION 7 – PROPOSER’S STATEMENT OF QUALIFICATIONS QUESTIONNAIRE

Proposals must include responses to the questions contained in this section. The proposer should reference the item number and repeat the question in its response. In cases where a question does not apply or if unable to respond, the Proposer should refer to the item number, repeat the question, and indicate N/A (Not Applicable) or N/R (No Response), as appropriate. The proposer will explain the reason when responding N/A or N/R.

7.1 Proposer Profile

7.1.1 Number of years in Business: 20
 State of incorporation: Texas
 Number of Employees: 165
 Annual Revenues Volume: \$35,000,000
 Name of Parent Corporation, if any N/A – no parent corporation

7.1.2 State whether Proposer will provide a copy of its financial statements for the past two (2) years, if requested by the City.

abip, PC has been in business for the past twenty years with offices in Houston, San Antonio, and New Braunfels, Texas. Our firm has a history of consistent growth and possesses a strong financial foundation. abip, PC considers their financial statements to be proprietary information. For added assurance we carry a professional liability policy for \$2,000,000. We have never had a claim filed against our firm since its’ inception. In addition, abip, PC is not required to have their financial statements to be audited.

7.1.3 Proposer will provide a financial rating of the Proposer entity and any related documentation (such as a Dunn and Bradstreet analysis) that indicates the financial stability of Proposer.

Our Dunn and Bradstreet number is 121263250

7.1.4 Is Proposer currently for sale or involved in any transaction to expand or to become acquired by another business entity? If yes, the Proposer will explain the expected impact, both in organizational and directional terms.

abip, PC is not currently for sale or involved in any transaction to expand or to become acquired by another business entity.

7.1.5 Proposer will provide any details of all past or pending litigation or claims filed against Proposer that would affect its performance under the Agreement with City (if any).

There is no past or pending litigation or claims filed against abip, PC that would affect our performance under the agreement with the City.

7.1.6 Is Proposer currently in default on any loan agreement or financing agreement with any bank, financial institution, or other entity? If yes, the Proposer will specify the pertinent date(s), details, circumstances, and describe the current prospects for resolution.

abip, PC is not currently, nor ever has been, in default on any loan agreement or financing agreement with any bank, financial institution, or other entity.

7.1.7 Proposer will provide a customer reference list of no less than three (3) organizations with which Proposer currently has contracts and/or to which Proposer has previously provided services (within the past five (5) years) of a type and scope like those required by City's RFP. Proposer will include in its customer reference list the customer's company name, contact person, telephone number, project description, length of business relationship, and background of services provided by Proposer.

History Servicing Texas Municipalities

Entity Name	Contact Information / Audit Information	Years Audited	Partner In Charge/ Audit Hrs
City of San Marcos, Texas	Ismael Garcia, Assistant Finance Director (512) 393-8178 igarcia@sanmarcostx.gov Annual Comprehensive Financial Statements and Federal Single Audit GFOA Certificate Awarded, abip prepared ACFR	2013 - Present	Michael Del Toro 600
City of Kyle, Texas	Perwez Moheet, Director of Finance (512) 393-8178 pmoheet@cityofkyle.com Annual Comprehensive Financial Statements GFOA Certificate Awarded, abip reviewed ACFR	2023 - Present	Janet Pitman 600
City of Boerne, Texas	Sarah Bucklelew, Director of Finance (830) 249-9511 sbucklelew@boerne-tx.gov Annual Comprehensive Financial Statements GFOA Certificate Awarded, abip prepared ACFR	2017 - Present	Janet Pitman 450
City of Del Rio, Texas	Linda Coones, Finance Director (830) 774-8528 x1301 lcoones@cityofdelrio.com Annual Comprehensive Financial Statements GFOA Certificate Awarded, abip prepared ACFR	2020 - Present	Michael Del Toro 600
Cibolo Creek Municipal Authority	Clint Ellis, General Manager (210) 658-6241 cellis@ccmatx.org Financial and Compliance Audit	2002 - Present	Janet Pitman 200
City of Port Aransas, Texas	Darla Honea, Director of Finance (361) 749-4111 dhonea@cityofportaransas.org Annual Financial Statements	2022 - Present	Janet Pitman 300

7.1.8 Does any relationship exist (whether by family kinship, business association, capital funding agreement, or any other such relationship) between the Proposer and any employee of the City? If yes, the Proposer will explain.

No relationship exists between abip, PC and any employee of the City.

7.2 Approach to Project Services

7.2.1 Proposer will provide a statement of the Proposer's service approach and will describe any unique benefits to the City from doing business with Proposer. The proposer will briefly describe its approach for each of the required services identified in **Section 5**, Scope of Work of this RFP.

Audit Approach

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- Consideration of risk of material misstatement due to fraud

Planning and risk assessment activities conclude with an audit strategy focused on areas of the City based on risk and/or materiality through a specifically **tailored audit program**.

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Valuation or Allocation	Assets and liabilities are valued properly, and the revenues and expenses are measured properly.
Presentation and Disclosure	Assets, liabilities, revenues, and expenses are properly described and disclosed in the financial statements.

Audit Procedures Include:

- Inquiry of City personnel
- Analytical procedures
- Observation of processes
- Testing general ledger balances
- Inspection of policies and procedures
- Reperformance of calculations
- Confirmation of accounts
- Compliance testing for single audits

Phase 3 – Audit Conclusion

The audit conclusion is the finalization of the audit approach. It consists of the following:

- Final reviews of the fieldwork procedures to ensure an effective audit in accordance with professional standards
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- Conclude on audit completion checklists

Phase 4 – Audit Finalization

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- Preparing the annual comprehensive financial report
- Completion of the disclosure checklist
- Obtaining the representation letter from the City's management
- Finalizing the independent auditors reporting letters and the management letter
- Presentation of audit results and auditor reports to City management and City Council

7.2.2 Proposer will provide an estimate of the earliest starting date for services following execution of the Agreement.

abip, PC's earliest start date would be at the City's discretion following execution of the agreement.

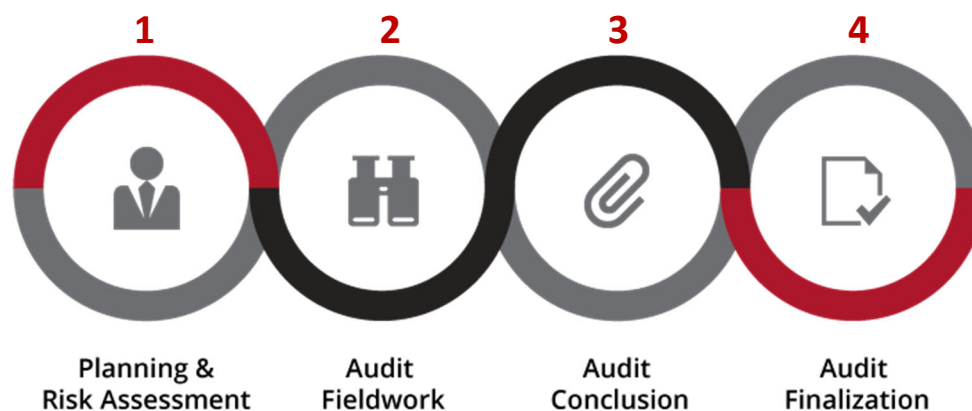
7.2.3 Proposer will submit a work plan with key dates and milestones. The work plan should include:

- 7.2.3.1 Identification of tasks to be performed.
- 7.2.3.2 Time frames to perform the identified tasks.
- 7.2.3.3 Project management methodology.
- 7.2.3.4 Project roles and responsibilities.
- 7.2.3.5 Project change control procedure; and
- 7.2.3.6 Implementation strategy.

Proposed Segmentation

Overall Audit Phases

abip's audit approach is divided into four phases:



Summary of Segmentation	Partners	Managers	Staff	Est. Hours
Phase 1 – Planning & Risk Assessment	10	12	38	60
Phase 2 – Audit Fieldwork	75	186	179	440
Phase 3 – Audit Conclusion	30	20	-	50
Phase 4 – Audit Finalization	25	25	-	50
Total	140	243	217	600

Phase 1 - Planning & Risk Assessment	Partners	Managers	Staff	Est. Hours	Timeline
Financial and Single Audit Planning	8	12	30	50	November 2025
Analytical Review - Preliminary	2	-	-	2	
Minutes, Contracts, Ordinances	-	-	5	5	
Working Trial Balance	-	-	2	2	
Confirmations	-	-	1	1	
Total for Phase 1	10	12	38	60	

Phase 2 – Audit Fieldwork	Partners	Managers	Staff	Est. Hours	Timeline
Cash	-	2	8	10	January 2026
Investments and Investment Policy	-	2	8	10	
Revenues, Receivables and Receipts	-	20	20	40	
Capital Assets	-	10	10	20	
Accounts Payable	-	10	20	30	
Expenditures	-	20	25	45	
Payroll and Related Liabilities	-	10	15	25	
Debt	-	12	8	20	
Fund Equity	-	5	5	10	
Annual Comprehensive Financial Report Preparation and Review	30	40	10	80	
Additional Procedures for GFOA Annual Comprehensive Financial Report	20	30	10	60	
Single Audit (one major program)	5	10	40	55	
Managers Review	-	15	-	15	
Partners Review	20	-	-	20	
Total for Phase 2	75	186	179	440	

Phase 3 – Audit Conclusion	Partners	Managers	Staff	Est. Hours	Timeline
Partners Final Review	10	-	-	10	January 2026
Single Audit	10	5	-	15	
Analytical Review – Final	5	-	-	5	
Audit Completion Checklist	5	15	-	20	
Total for Phase 3	30	20	-	50	

Phase 4 – Audit Finalization	Partners	Managers	Staff	Est. Hours	Timeline
Annual Comprehensive Report	10	10	-	20	January/ February 2026
Disclosure Checklists	2	5	-	7	
Representation Letter	5	-	-	5	
Management Letter	3	5	-	8	
Meetings With Management, City Council, Etc.	5	5	-	10	
Total for Phase 4	25	25	-	50	

In addition, **abip, PC** will assist with the City’s GFOA response in March 2026.

Sampling

abip uses a comprehensive and systematic sampling plan that focuses directly on the assessment of audit risk and integrates statistical theory with the use of audit judgment. The sampling plan is taken from the guidance of the AICPA Audit Guide and *Governmental Auditing Standards*. Statistical sampling is used when the data set is in a logical order or sequence, and nonstatistical sampling is used if the data is not in sequential order.

The Sample Size is Based on Various Factors Such As:

- Size of the Data Set
- Audit Risk in the Sample
- Tolerable Misstatement
- Unusual Items in the Data Set
- Number of Exceptions Allowed from the Sample Test (if any)

Area of the Audit	Data set is more than 250	Data set is less than 250
Account Balance Testing (Receivables, Revenue, Payables, Expenses, etc.)	All material and unusual transactions. Addition samples based on the dollar value of the remaining balance in the account being tested.	All material and unusual transactions. Addition samples based on the dollar value of the remaining balance in the account being tested
Testing Coding or Classifications of Transactions	25 or 60 samples depending on risk and deviations expected.	Judgment based on risk -25 samples or less
Obtain an Understanding of Control Processes and Procedures	Sample size based on auditor judgment. Typically between 3 to 5 samples per process or procedure.	Sample size based on auditor judgment. Typically between 3 to 5 samples per process or procedure

Computer Audit Tools – EDP Software

abip uses a paperless audit tool to manage and coordinate the audit in a secure, cloud-based environment. The advantage of a paperless environment is that we do not maintain physical documents, and client information is not maintained locally on workstations. The City has 24/7 access to our online document portal to easily share files for the engagement. **abip** also utilizes electronic tools such as trial balance software to manage the reporting and analytical review of the City's financial information, sampling tools, and risk assessment management.

Analytical Procedures

abip uses analytical procedures in the audit during the planning and risk assessment phase to obtain an understanding of financial results during the fiscal year and assess the risk of material misstatement based on knowledge obtained from the City. Analytical procedures are also used as an audit tool to quickly conclude whether an account is materially stated. Analytical procedures are typically used as follows:

Audit Area	Type of Procedure	Example
Planning of the Audit	Compare current year results to the prior year and the budget	Assessment of the variance for each account against expectation developed from knowledge of City
Revenues & Expenses	Compare current year results to the prior year and the budget	Assessment of the variance for each account against expectations developed from knowledge of the City
	Reasonableness test of results based on nonfinancial factors	Revenues and expenses based on consumption data times rates appear reasonable
	Reasonable averages per transaction	Average utility charges by month appear reasonable
	Reasonableness of ratio to other account balances	Salary-related expense ratios appear reasonable compared to the prior year

Understanding the Internal Controls

abip will obtain an understanding of the City's internal controls by performing the following:

Objective for Identifying Controls	Procedure
Identify the Significant Transaction Activities and Compliance Material to the Financial Statements	Perform preliminary analytics, review prior year financial reports, review the City's annual budget, read minutes of City Council meetings and review the schedule of federal awards
Review the City's Written Policies and Procedures	Inquire of City management and staff of written policies and procedures and review minutes
Obtain an Understanding of the City's Environment, Significant Activities, and Compliance Material to the Financial Statements to Assess Controls	Make inquiries of management and others, observe entity procedures and controls, inspect documents and records, and trace sampled transactions through the system

Compliance with Laws and Regulations

abip will obtain an understanding of the laws and regulations that will be subject to the audit by performing the following:

Objective for Identifying Laws and Regulations	Procedure
Identify the Significant Operations and Sources of Revenue	Perform preliminary analytics, assess prior knowledge of the City, review prior year financial reports, review the City's annual budget, read minutes of City Council meetings, review the schedule of federal awards, review notices of grant awards
Identify Regulatory Requirements	Read oversight reports and communications from Federal, State, and other grantors
Reviewing Guidance Publications	<ul style="list-style-type: none"> • Texas Public Funds Investment Act • AICPA Audit Guide, Audits of State and Local Governmental Units • The Single Audit Act of 1996 • Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) • <i>Government Auditing Standards</i> (Yellow Book), as amended • Federal Cognizant Agency Audit Organization Guidelines • Texas Local Government Code • State of Texas Single Audit Circular

7.2.4 Proposer will describe the types of reports or other written documents Proposer will provide (if any) and the frequency of reporting, if more frequent than required in the RFP. The proposer will include samples of reports and documents if appropriate.

Included in the Annual Comprehensive Financial Report will be three separate reports; (1) Independent Auditor's Report, (2) Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*, and (3) Independent Auditor's Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance. Samples are attached.

In addition to the three reports identified above we will also issue a separate report on the Conduct of the Audit which may contain improvements or internal controls, if applicable. A sample is attached.

SAMPLE

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Schertz, Texas

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information of the City of Schertz, Texas (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. 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, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; schedule of revenues, expenditures and changes in fund balance - budget and actual - general fund, schedule of changes in net pension liability and related ratios, schedules of contributions - net pension liability, schedule of changes in other postemployment benefit liability (OPEB) and related ratios - supplemental death benefit fund, and schedule of changes in the OPEB liability - retiree health insurance be presented to supplement the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, other supplementary information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining and individual nonmajor fund financial statements, other supplementary information, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February xx, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

San Antonio, Texas
February xx, 2026

SAMPLE

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and
Members of the City Council
City of Schertz, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Schertz, Texas, (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Schertz, Texas' basic financial statements, and have issued our report thereon dated February xx, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our 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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Antonio, Texas
February xx, 2026

SAMPLE

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and
Members of the City Council
City of Schertz, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Schertz, Texas' (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

San Antonio, Texas
February xx, 2026

SAMPLE

To the Honorable Mayor and
Members of the City Council
City of Schertz, Texas

In planning and performing our audit of the financial statements of the governmental activities, business-type activity, discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Schertz, Texas (the City) as of and for the year ended September 30, 2025, in accordance with auditing standards generally accepted in the United States of America and, we considered City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weakness or significant deficiencies may exist that were not identified.

In addition, professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated September xx, 2025. Professional standards also require that we communicate to you the information related to our audit in Section I - XI of this report.

This communication is intended solely for the information and use of City Council and management of the City of Schertz, Texas, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

San Antonio, Texas
February xx, 2026

I. Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements include management's estimate of the net pension liability, deferred inflows and outflows related to the Texas Municipal Retirement System (TMRS) and the total other postemployment benefit (OPEB) liabilities and deferred outflows related to the Texas Municipal Retirement System—supplemental death benefit fund (TMRS SDBF) and retiree health OPEB, accumulated depreciation, depreciation expense and the related estimated useful lives of capital assets, and the allowances for doubtful accounts. We evaluated the key factors and assumptions used to develop these estimates in determining they are reasonable in relation to the financial statements taken as a whole.

II. Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

III. Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

IV. Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We have attached the listing of correcting journal entries to this letter. Management has corrected all such misstatements.

V. Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

VI. Management Representations

We have requested certain representations from management that are included in the management representation letter dated February xx, 2026.

VII. Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

VIII. Other Audit Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

IX. Other Matters

We applied certain limited procedures to Management’s Discussion and Analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of contributions, schedule of changes in total other postemployment benefits (OPEB) liability and related ratios, and schedule of contributions – other postemployment benefits, and the notes to the required supplementary information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the other supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

X. Comments and Recommendations Regarding Internal Controls and Operations

XI. Other Comments

Compliance with Public Funds Investment Act

The Public Funds Investment Act (the Act) requires that we include, as part of our audit, procedures to determine if the City complied with the provisions of the Act. We found, as a result of our tests, that the City complied, in all material respects, with the provisions of the Act.

7.3 Miscellaneous

7.3.1 Proposer will provide a list of any additional services or benefits not otherwise identified in this RFP that Proposer would propose to provide to the City.

abip, is a full-service firm with extensive resources and services and benefits such as Cybersecurity services, Forensic Audits, Bond “Comfort Letters”, Implement of GASB’s, and Transactional Advisory Services.

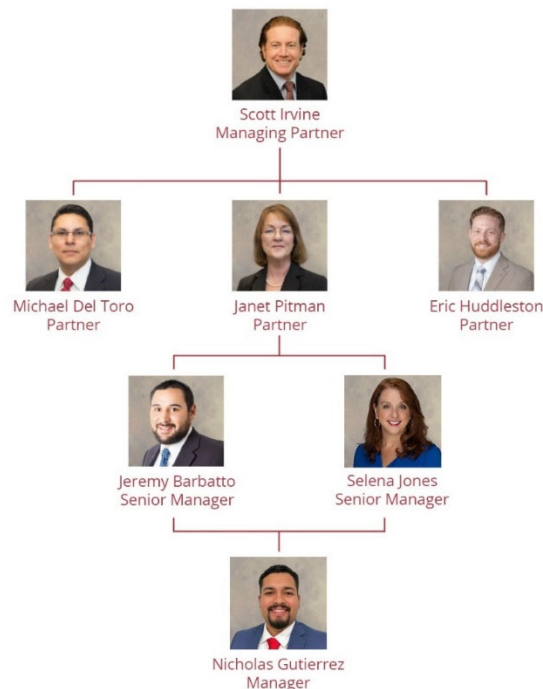
7.3.2 Proposer will provide details describing any unique or special services or benefits offered or advantages to be gained by the City from doing business with Proposer. Additional services or benefits must be directly related to the goods and services solicited under this RFP.

As a client of abip, you receive many benefits beyond specific professional audit services. Our professional personnel are provided with current and relevant training, which is designed to keep them up to date in the ever-changing environment in which we practice. We attend and conduct formal training programs covering current technical developments in the governmental accounting and auditing fields and can provide Continued Professional Education credits to City staff. Throughout the year we provide our governmental clients with technical information on subjects of importance and interest including, but not limited to, interpreting and implementing new accounting standards and regulations as well as determining their impact on the City. In addition, all personnel of abip, (audit and tax) are available throughout the year to provide technical assistance and advice to the City, as needed.

Additional Information

Organizational Structure

We are a regional CPA and Advisory Firm with 20 partners in Houston, San Antonio, and New Braunfels. The audit leadership team is made up of **3 Partners** (Michael Del Toro, Janet Pitman, and Eric Huddleston), **2 Senior Managers** (Jeremy Barbatto and Selena Jones), and **1 Manager** (Nicholas Gutierrez) overseen by our **Managing Partner**, Scott Irvine. The audit will be serviced by the San Antonio office.



abip's Commitment to Quality Control

Our December 31, 2023 Peer Review was extended and finalization sits with the Peer Review Committee on March 3, 2025. We are confident we will receive the rating of "pass" and can send that letter to the City upon finalization.

The AICPA peer review involves a rigorous inspection of our engagements every three years. At the conclusion of the peer review, the peer reviewer expresses an opinion on the design of our quality control system conducted for our accounting and auditing practice and our compliance with that system. Our latest peer review received the highest possible rating of "pass." The peer review included a review of specific government engagements performed under *Governmental Auditing Standards*, including compliance audits under the Single Audit Act.



Report on the Firm's System of Quality Control

August 30, 2021

To the Shareholders of ABIP, PC
and the Peer Review Committee of the TSCPA

We have reviewed the system of quality control for the accounting and auditing practice of ABIP, PC (the firm) in effect for the year ended December 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations


Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

As a 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.

ABIP, PC
August 30, 2021
Page | 2

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of ABIP, PC in effect for the year ended December 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiencies* or *fail*. ABIP, PC has received a peer review rating of *pass*.


Briggs & Veselka Co.
Austin, Texas

www.bvccpa.com

Member of the Center for Public Company Audit Firms
of the American Institute of Certified Public Accountants



Team Experience

Team Member	Title	Engagement Role	Experience Similar to City of Schertz, TX
Michael Del Toro, CPA	Partner	<ul style="list-style-type: none"> • Overall responsibility for the Engagement • Directing the planning, testing, communications, and financial statement decisions • Provide accounting and auditing technical assistance • Coordinate all meetings with management • Preparation of the Annual Comprehensive Financial Report 	City of San Marcos, TX * City of Boerne, TX * City of Del Rio, TX* City of Kyle, TX * City of Port Aransas, TX City of Portland, TX City of Ingleside, TX City of Alamo Heights, TX * City of Live Oak, TX * City of Leon Valley, TX * City of Fair Oaks Ranch, TX * City of Cibolo, TX * City of Schertz, TX * City of Rollingwood, TX City of Universal City, TX City of Hill Country Village, TX City of Shavano Park, TX City of Somerset, TX City of Floresville, TX City of Windcrest, TX City of Fredericksburg, TX City of Woodcreek, TX
Janet Pitman, CPA	Concurring Partner	<ul style="list-style-type: none"> • Review the audit to ensure it was performed in accordance with the Firms quality control standards • Provide accounting and auditing technical assistance • Review the final Annual Comprehensive Financial Report 	City of San Marcos, TX * City of Boerne, TX * City of Del Rio, TX* City of Kyle, TX * City of Port Aransas, TX City of Portland, TX City of Ingleside, TX City of Alamo Heights, TX * City of Live Oak, TX * City of Leon Valley, TX * City of Fair Oaks Ranch, TX * City of Cibolo, TX * City of Schertz, TX * City of Rollingwood, TX City of Universal City, TX City of Hill Country Village, TX City of Shavano Park, TX City of Somerset, TX City of Floresville, TX City of Windcrest, TX City of Fredericksburg, TX City of Woodcreek, TX

Team Member	Title	Engagement Role	Experience Similar to City of Schertz, TX
Jeremy Barbatto, CPA	Engagement Senior Manager	<ul style="list-style-type: none"> Oversee the staff on the engagement and filter questions from staff to the City Lead the audit planning and risk assessment for the financial audit and single audit and direct the staff through the process Provide technical assistance to the staff assigned to the engagement Preparation of the Annual Comprehensive Financial Report 	City of San Marcos, TX * City of Boerne, TX * City of Del Rio, TX* City of Kyle, TX * City of Port Aransas, TX City of Portland, TX City of Ingleside, TX City of Alamo Heights, TX * City of Live Oak, TX * City of Leon Valley, TX * City of Fair Oaks Ranch, TX * City of Cibolo, TX * City of Schertz, TX * City of Rollingwood, TX City of Universal City, TX City of Fredericksburg, TX
Selena Jones, CPA	Concurring Engagement Senior Manager	<ul style="list-style-type: none"> Serve as an additional resource for technical guidance to the engagement manager and staff Assist the engagement manager with reviewing staff work 	City of San Antonio, TX * City of Alamo Heights, TX * City of Ingleside, TX City of Lockhart, TX * Bexar Appraisal District * Habitat for Humanity of SA Tobin Ctr. for Performing Arts Merced Housing Texas
Nicolas Gutierrez, CPA	Audit Manager	<ul style="list-style-type: none"> Serve as the day-to-day contact for the City and manage the overall work plan developed by the Partner Preparation of the Annual Comprehensive Financial Report 	City of Del Rio, TX City of Bandera, TX City of Wimberly, TX City of Lago Vista, TX City of Llano, TX City of Blanco, TX City of Mason, TX City of Junction, TX

* Denotes client who issues an Annual Comprehensive Financial Report and receives GFOA's Certificate of Achievement for Excellence in Financial Reporting.

Partner, Supervisory and Staff Qualifications / Experience

Michael Del Toro, CPA – Partner – Texas CPA License No. 082958

As audit partner, Michael will coordinate the services of our firm and will have overall responsibility for the audit and any matters related to the audit. Mike has over twenty-five (25) years of experience in auditing and accounting for municipalities, school districts, nonprofit entities and other governmental entities. Mike is licensed to practice as a certified public accountant in the State of Texas.

Mike has prepared multiple audits in accordance with Government Finance Officer Association's (GFOA) reporting for municipalities, school districts, and other governmental audits over the years. Mike is a member of the Special Review Committee for the Annual Comprehensive Report (ACFR) award program. He regularly reviews financial reports for local governments to determine if the government will be awarded the certificate of achievement.

Mike is member of the American Institute of Certified Public Accountants, the Texas Society of Certified Public Accountants, San Antonio CPA Society, a Chapter of the Texas Society of CPAs, Government Finance Officers Association, Government Finance Officers Association of Texas, Alamo Area Association of School Business Officials and Texas Association of School Business Officials.

Janet Pitman, CPA – Concurring Partner – Texas CPA License No. 060425

As concurring partner, Janet will provide a technical review of the audit as well as provide technical assistance throughout the audit as needed. Janet has over thirty (30) years of experience in auditing and accounting for municipalities, school districts, nonprofit entities and other governmental entities. Janet is licensed to practice as a certified public accountant in the State of Texas.

Janet has prepared multiple audits in accordance with Government Finance Officer Association's (GFOA) reporting for municipalities, school districts, and other governmental audits over the years. Janet is a member of the Special Review Committee for the Annual Comprehensive Report (ACFR) award program. She regularly reviews financial reports for local governments to determine if the government will be awarded the certificate of achievement.

Janet is a member of the American Institute of Certified Public Accountants, the Texas Society of Certified Public Accountants, San Antonio CPA Society, a Chapter of the Texas Society of CPAs, Government Finance Officers Association, Government Finance Officers Association of Texas, Alamo Area Association of School Business Officials and Texas Association of School Business Officials.

Jeremy Barbatto, CPA – Engagement Senior Manager – Texas CPA License No. 099003

As engagement senior manager, Jeremy will perform work under the direct supervision of the partners. Jeremy has over fourteen (14) years of experience in auditing and accounting for municipalities, school districts, nonprofit entities, and other governmental entities. His functions will be gathering data and performing detail tests, such as vouching expenses and determining eligibility of costs and assisting other team members assigned to the engagement. Jeremy is licensed to practice as a certified public accountant in the State of Texas.

Jeremy has prepared multiple audits in accordance with Government Finance Officer Association's (GFOA) reporting for municipalities, school districts, and other governmental audits over the years. Jeremy is a member of the Special Review Committee for the Annual Comprehensive Report (ACFR) award program. He regularly reviews financial reports for local governments to determine if the government will be awarded the certificate of achievement.

Jeremy is a member of the American Institute of Certified Public Accountants, the Texas Society of Certified Public Accountants, San Antonio CPA Society, a Chapter of the Texas Society of CPAs, Government Finance Officers Association, Government Finance Officers Association of Texas, Alamo Area Association of School Business Officials and Texas Association of School Business Officials.

Selena Jones, CPA – Concurring Engagement Senior Manager – Texas CPA License No. 098761

As the concurring engagement manager, Selena will serve as an additional resource for technical guidance to the engagement manager and staff. Selena has over twenty-five (25) years of accounting experience and over 15 years of experience in auditing and accounting for governmental entities. She will assist the engagement manager with reviewing staff work. Selena is licensed to practice as a certified public accountant in the State of Texas.

Selena is a member of the American Institute of Certified Public Accountants.

Nicholas Gutierrez, CPA – Audit Manager – Texas CPA License No. 126284

As audit manager, Nicholas will serve as the day-to-day contact for the City, will oversee the staff on the engagement, and will filter questions from the staff to the City. His functions will be gathering data and performing detail tests, such as vouching expenses and determining eligibility of costs and assisting other team members assigned to the engagement. Nicholas is licensed to practice as a certified public accountant. Nicholas has over five (5) years of experience in auditing and accounting for municipalities, school districts, nonprofit entities and other governmental entities. Nicholas is licensed to practice as a certified public accountant in the State of Texas.

Nicholas has prepared multiple audits in accordance with Government Finance Officer Association's (GFOA) reporting for municipalities, school districts, and other governmental audits over the years.

Nicholas is a member of the American Institute of Certified Public Accountant and the Texas Society of Certified Public Accountants.

See attached resumes for additional information on the above team members.

Rotation Plans

It would be our intention to commit the audit team of one partner, one senior manager, one manager, one senior auditor and one staff auditor over the term of the contract. All employees of the firm are employed on a full-time basis. We expect this team to continue the audit from year to year, however, at the City's request, we can rotate personnel over the term of the contract. We understand that the City retains the right to approve or reject any replacement of staff. Our firm can provide equally competent personnel to replace the key personnel named on the audit team. **abip's** audit partners and managers are actively involved in the daily detail procedures of the audit engagement which provides for continuity on the engagement from year to year in the event of staff turnover. In addition, this allows us to supervise our staff, address any major issue early and be available for questions from you.

Availability of Trained Personnel

As a client of **abip**, you receive many benefits beyond specific professional audit services. Our professional personnel are provided with current and relevant training, which is designed to keep them up to date in the ever-changing environment in which we practice. We attend and conduct formal training programs covering current technical developments in the governmental accounting and auditing fields and can provide Continued Professional Education credits to City staff. Throughout the year we provide our governmental clients with technical information on subjects of importance and interest including, but not limited to, interpreting and implementing new accounting standards and regulations as well as determining their impact on the City. In addition, all personnel of **abip**, (audit and tax) are available throughout the year to provide technical assistance and advice to the City, as needed.

Continuing Professional Education of Audit Team

abip, PC requires all accountants that will be involved in local governmental audits to complete a minimum of 80 hours of continuing education in a two-year period in accounting and auditing with a minimum of 20 hours each year and with at least 24 hours of the 80 hours in governmental courses. This is done in order to comply with *Governmental Auditing Standards*. All employees have met or exceeded this requirement. Additional State Board requirements for all licensed professionals to have 120 hours every three years were also met.

Program Name	Completion Date	Michael Del Toro	Janet Pitman	Jeremy Barbatto	Selena Jones	Nicholas Gutierrez
2025 GFOAT Spring Conference	4/8/25	•	•	•	•	•
Auditing Implications for Recently Issued GASB Standards	2/6/25	•	•	•	•	•
2024 GFOAT Fall Conference	10/31/24	•	•	•	•	•
Ethics for Texas CPA's	10/28/24	•				
2024 Single Audits and Governmental Accounting and Auditing Conference	9/23/24	•	•	•	•	•
2024 Texas School Districts Accounting and Auditing Conference	6/4/2024	•	•	•	•	•
2024 Annual Required Government Audit Quality Center Webcast	5/9/2024	•	•	•	•	•
2024 GFOAT Spring Conference	4/15/2024	•	•	•		
Risk Assessment Under SAS No 145	2/8/2024	•	•	•	•	•
Ethics for Texas CPA's	12/28/23			•		
Common Audit and Financial Reporting Deficiencies in State and Local Governments	10/2/2023	•	•	•		•
GASB 96 Implementation	9/8/2023	•	•	•		
2023 OMB Compliance Supplement and Single Audit Update	6/13/2023	•	•	•		•
2023 Annual Required Government Audit Quality Center Webcast	5/2/2023	•	•	•		
2023 GFOAT Spring Conference	4/18/2023	•		•		
Ethics for Texas CPAs	10/23/22	•	•	•		•
2022 Governmental Accounting and Single Audits Conf.	09/26/22	•	•	•		
2022 GFOA Annual Conference	06/8/22	•	•	•		
Ethics for Texas CPA's	6/26/24		•			
2022 Texas School District Accounting & Auditing Conf.	05/20/22	•	•	•		•
2022 Annual Required GAQC Webcast	05/3/22	•	•	•		

Resumes of Key Personnel



Michael Del Toro, CPA

Partner

Educational Background

- Certified Public Accountant - Texas
- BBA in Accounting – University of the Incarnate Word, 1997

Career Experience

abip, PC

- Partner – January 2013 to Present

Thompson, Williams, Biediger, Kastor & Young, L.C.

- Partner – January 2009 to December 2012
- Audit Manager – January 2007 to December 2008
- Audit Supervisor – February 2005 to December 2006

Burnside & Rishebarger, PLLC

- Audit Supervisor – March 2004 – January 2005

Harte-Hanks, Inc.

- Internal Audit – June 2001 – February 2004

Padgett, Stratemann & Co., LLP

- Audit In-Charge – January 1999 – May 2001

Garza Gonzales & Associates

- Staff Auditor – October 1997 – December 1998

Engagement Experience

Mike has over twenty-five (25) years of experience in auditing and accounting for government entities. He has been associated with the financial and compliance audits for the City of San Marcos, City of Del Rio, City of Alamo Heights, City of Live Oak, City of Universal City, City of Cibolo, City of Kyle, City of Boerne, City of Fair Oaks Ranch, VIA Metropolitan Transit, San Antonio River Authority, multiple school districts and other government entities. Mike attends seminars of the Texas Association of School Business Officials and its local chapter, the Alamo Area Association of School Business Officials. In addition, Mike is a member of the Special Review Committee for the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

PROFESSIONAL ASSOCIATIONS

- American Institute of Certified Public Accountants
- Texas Society of Certified Public Accountants
- Government Finance Officers Association
- Alamo Area Association of School Business Officials
- Texas Association of School Business Officials



Janet A. Pitman, CPA

Partner

Educational Background

- Certified Public Accountant - Texas
- BBA in Accounting – University of Texas at San Antonio – 1991

Career Experience

abip, PC

- Partner – January 2013 to Present

Thompson, Williams, Biediger, Kastor & Young, L.C.

- Partner – January 2009 to December 2012
- Manager – October 2003 to December 2008

Bexar County Auditor's Office

- Accounting Manager – May 2001 to September 2003

Padgett, Stratemann & Co., L.L.P.

- Manager – June 1996 to April 2001
- Audit Team Member – September 1991 to May 1996

Engagement Experience

Janet has over thirty (30) years of experience in auditing and accounting of government entities. She has been associated with the financial and compliance audits of the City of San Marcos, City of Del Rio, City of Alamo Heights, City of Live Oak, City of Universal City, City of Cibolo, City of Kyle, City of Boerne, City of Fair Oaks Ranch, VIA Metropolitan Transit, San Antonio River Authority, multiple school districts, and other government entities. While at Bexar County, she was the project manager for the implementation of GASB 34. Janet has presented to and attends seminars of the Texas Association of School Business Officials and its local chapter, the Alamo Area Association of School Business Officials. In addition, Janet is a member of the Special Review Committee for the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

PROFESSIONAL ASSOCIATIONS

- American Institute of Certified Public Accountants
- Texas Society of Certified Public Accountants
- San Antonio CPA Society, a Chapter of the Texas Society of CPAs
- Government Finance Officers Association
- Alamo Area Association of School Business Officials
- Texas Association of School Business Officials



Jeremy Barbatto, CPA

Senior Audit Manager

Educational Background

- Certified Public Accountant – Texas
- Masters in Accountancy – Texas State University, 2010
- BBA in Accounting – Texas State University, 2008

Career Experience

abip, PC

- January 2013 to Present

Thompson, Williams, Biediger, Kastor & Young, L.C.

- August 2010 to December 2012

Engagement Experience

Jeremy has over thirteen (13) years of experience in auditing and accounting of government entities. Jeremy has been assigned to the financial and compliance audits for the City of San Marcos, City of Del Rio, City of Alamo Heights, City of Live Oak, City of Universal City, City of Cibolo, City of Kyle, City of Boerne, City of Fair Oaks Ranch, multiple school districts, and other government entities. In addition, Jeremy is a member of the Special Review Committee for the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

PROFESSIONAL ASSOCIATIONS

- American Institute of Certified Public Accountants
- Texas Society of Certified Public Accountants
- San Antonio CPA Society, a Chapter of the Texas Society of CPAs
- Alamo Area Association of School Business Officials
- Government Finance Officers Association



Selena Jones, CPA

Senior Audit Manager

Educational Background

- Certified Public Accountant - Texas
- Bachelor of Business Administration with specialization in accounting – Wayland University, 2010
- AICPA Not-for-Profit Certificate II

Career Experience

abip, PC

- Audit Senior Manager - February 2024 to Present

Braination, Inc.

- Chief Financial Officer – February 2023 to February 2024

Shriver, Carmona & Company, PLLC

- Audit Senior Manager – February 2022 to February 2023

Armstrong, Vaughan & Associates, PC

- Audit Manager – August 2018 to February 2022
- Senior Auditor – August 2017 to July 2018

St. Michael's Catholic College

- Finance Manager – September 2014 to June 2016

Mencap

- Interim Assistant Finance Manager – March 2014 to August 2014

Look Ahead Housing and Care

- Financial Accountant – November 2012 to March 2013

Armstrong, Vaughan & Associates, PC

- Audit Staff – April 2007 to January 2012

Engagement Experience

Selena has over twenty five (25) years of accounting experience and over fifteen (15) years of experience in auditing and accounting for governmental and nonprofit entities. She has been associated with financial and/or compliance audits of the City of San Antonio, City of Alamo Heights, City of Lockhart, Bexar Appraisal District, Habitat for Humanity of San Antonio, the Tobin Center for Performing Arts, Merced Housing Texas and various other entities.

PROFESSIONAL ASSOCIATIONS

- American Institute of Certified Public Accountants

VOLUNTEER

- San Antonio Christian Dental Clinic – Board Treasurer – January 2023 to present



Nicholas Gutierrez, CPA

Audit Manager

Educational Background

- Certified Public Accountant - Texas
- Bachelor of Business Administration with specialization in accounting – Schreiner University, 2019
- Master of Accountancy – Texas A&M Corpus Christi, 2022

Career Experience

abip, PC

- Audit Manager - August 2024 to Present

Neffendorf & Blocker, P.C.

- Audit Manager – April 2023 to August 2024
- Audit Senior – March 2021 to April 2023
- Audit Staff – August 2019 to March 2021

Engagement Experience

Nicholas has over five (5) years of accounting experience in auditing and accounting for governmental and nonprofit entities. He has been associated with financial and/or compliance audits of Kendall County, Gillespie County, Blanco County, Bandera County, McCulloch County, Mason County, Menard County, Concho County, Schleicher County, City of Llano, City of Blanco, City of Mason, City of Bandera, City of Wimberly, City of Lago Vista and City of Junction.

PROFESSIONAL ASSOCIATIONS

- American Institute of Certified Public Accountants
- Texas Society of Certified Public Accountants

3.2.4 SECTION 8 – COST PROPOSAL

Proposal of: abip, PC
(Proposer Company Name)

To: **The City of Schertz**

RFP Title: **Financial Auditing Services**

RFP#: **2025-009**

Having carefully examined all the specifications and requirements of this RFP and any attachments thereto, the undersigned proposes to furnish the services required pursuant to the above-referenced Request for Proposal upon the terms quoted below.

8.1 Pricing for Services

The proposer should describe in detail (a) the total fees for the entire scope of the Services; and (b) the method by which the fees are calculated. The fees must be inclusive of all associated costs for delivery, labor, insurance, taxes, overhead, and profit.

The City will not recognize or accept any charges or fees to perform the Services that are not specifically stated in this Cost Proposal

In this Cost Proposal, Proposer should describe each significant phase in the process of providing the Services to The City, and the period within which Proposer proposes to be able to complete each such phase.

Description	Cost	Cost w/Single Audit *
City of Schertz Financial Audit (Year 1)	\$54,180	\$58,905
Schertz Economic Development Center (Year 1)	\$ 6,300	-
City of Schertz Financial Audit (Year 2)	\$56,900	\$61,900
Schertz Economic Development Center (Year 2)	\$ 6,620	-
City of Schertz Financial Audit (Year 3)	\$59,800	\$65,000
Schertz Economic Development Center (Year 3)	\$ 6,950	-
City of Schertz Financial Audit (Year 4)	\$62,800	\$68,300
Schertz Economic Development Center (Year 4)	\$ 7,300	-
City of Schertz Financial Audit (Year 5)	\$66,000	\$71,700
Schertz Economic Development Center (Year 5)	\$ 7,700	-

* Cost with single audit is based on one major program

Method by which the fees are calculated. **abip, PC** fees are based on the estimated hours for each segment of the audit times the per hour rate of the team member scheduled to perform that specific segment. Our hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fees are all inclusive of all associated costs for delivery, labor, insurance, taxes, overhead and profit.

SIGNIFICANT PHASES

Summary of Segmentation	Partners	Managers	Staff	Est. Hours	Timeline
Phase 1 – Planning & Risk Assessment	10	12	38	60	November 2025
Phase 2 – Audit Fieldwork	75	186	179	440	December 2025 / January 2026
Phase 3 – Audit Conclusion	30	20	-	50	January 2026
Phase 4 – Audit Finalization	25	25	-	50	January / February 2026
Total	140	243	217	600	

The fee estimate is for the service of conducting a financial audit of the City. The audit service does not include time and effort necessary to adjust or correct the City’s financial accounting records in order to present and report the financial information in accordance with generally accepted accounting principles. This would include adoption of GASBs that are required to be implemented. The fee also does not consider elevated risks in process and controls that will require additional audit attention. If the City requires us to assist with account reconciliations or the implementation of any GASBs, or if we have to address elevated risks in process controls we will notify the City and bill the additional time and effort for those situations at our standard hourly rates, which are as follows for 2025:

Partner	\$500/hour
Manager	\$385/hour
Staff	\$235/hour

These rates increase annually based on local and national economic conditions. The increases can range from 3 to 8 percent and will be disclosed in our annual engagement letters.

The above rates are for undisclosed services requirements that are necessary to complete and conclude on the financial audit service. If additional services are requested by the City and those services can be scheduled at a time agreed upon by the City and **abip** then discounted rates could be established.

8.2 Payment Terms

City’s standard payment terms for services are “Net 30 days.” Should the contractor desire an exception to those terms, Contractor shall define the requested terms to included, but not limited to, milestone pricing, etc. **No exceptions**