



May 2, 2022

Fort Worth Transportation Authority
Attention: Ms. Kelli S. Shields, SPHR, SHRM-SCP
Vice President of Human Resources
801 Cherry Street, Suite 850
Fort Worth, Texas 76102

Dear Ms. Shields:

You have requested that Weaver and Tidwell, L.L.P. ("Weaver", "our", "us", and "we") perform an ERISA Section 103(a)(3)(C) audit and report on the financial statements of McDonald Transit, Inc. 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2021, and the related notes to the financial statements.

As part of our audit, we will report on the supplementary information required by the U.S. Department of Labor's (the "DOL") rules and regulations for reporting and disclosure under ERISA (ERISA-required supplementary information) for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America ("GAAS"). This information is presented for the purpose of additional analysis and is not a required part of the financial statements, but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

The financial statements and ERISA-required supplementary information are included in the Plan's Form 5500 filing with the Employee Benefit's Security Administration of the DOL.

Management has determined it is permissible in the circumstances and has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Therefore, as permitted by ERISA Section 103(a)(3)(C), the audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Except as described in the preceding paragraph, the objectives of our audit 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 issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

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Auditor Responsibilities

We will conduct our audit in accordance with GAAS. Those standards require that we are independent and that we fulfill our other ethical responsibilities relevant to the audit. For an ERISA Section 103(a)(3)(C) audit, the audit will not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America ("GAAP"). Accordingly, the objective of the ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 Plan's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit, including those that were remediated during the audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. If appropriate, our procedures will include tests of documentary evidence that support the transactions recorded in the accounts, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we may request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We will communicate with management and those charged with governance certain matters as required by GAAS, including reportable findings identified during the audit of the Plan as a result of testing relevant plan provisions.

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As part of our audit, we will perform certain procedures, as required by GAAS, directed at considering the Plan's compliance with applicable Internal Revenue Code ("IRC") requirements for tax-exempt status, including whether management has performed relevant IRC compliance tests, and has corrected or intends to correct failures. As we conduct our audit, we will be aware of the possibility that events affecting the Plan's tax status may have occurred. Similarly, we will be aware of the possibility that events affecting the Plan's compliance with the requirements of ERISA may have occurred. We will inform you of any instances of tax or ERISA noncompliance that come to our attention during the course of our audit. You should recognize, however, that our audit is not designed to, nor is it intended to determine the Plan's overall compliance with applicable provisions of the IRC or ERISA.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

Ms. Aracely Rios is the engagement partner for the audit services specified in this letter, and is responsible for supervising our services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service provider.

The information included in the ERISA-required supplementary information, other than that agreed to or derived from the certified investment information, will be subjected to the audit procedures applied in the audit of the financial statements and certain additional procedures in accordance with GAAS. Accordingly, our opinion will state whether the form and content of the supplemental schedules, other than the information agreed to or derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure Under ERISA and whether the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

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

We expect to begin our audit procedures June 2022, and issue our report no later than August 15, 2022. We will issue a written report upon completion of our audit of the Plan's financial statements and ERISA-required supplementary schedules. We will report on whether the amounts and disclosures in the financial statements, other than those agreed to or derived from the certified investment information, are

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presented fairly in accordance with GAAP and whether the certified investment information in the financial statements agrees to or is derived from the information certified by a qualified institution. Our report will be addressed to the plan administrator of the Plan.

We will also report on whether the form and content of the ERISA-required supplementary schedules, other than the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, and whether the certified investment information in the supplementary schedules agrees to, or is derived from, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Circumstances may arise in which our report may differ from its expected form and content based on the results of our ERISA Section 103(a)(3)(C) audit. Depending on the nature of these circumstances, it may be necessary for us to modify our ERISA Section 103(a)(3)(C) opinion, add an emphasis-of-matter paragraph or other-matter paragraph to our auditor's report, or if necessary, withdraw from the engagement.

You have not engaged us to prepare the Plan's Form 5500 filing with the DOL. Professional standards require that we obtain and read a draft of the Form 5500 that is substantially complete prior to the dating of our auditor's report. The purpose of this procedure is to identify material inconsistencies, if any, with the audited Plan financial statements. These procedures are not sufficient nor are they intended to determine that the Form 5500 is completely and accurately prepared.

Management Responsibilities

Our audit will be conducted on the basis that Plan management acknowledge and understand that they have responsibility:

- a. for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America which includes the determination of the appropriate value of investments;
- b. for determining whether:
 - i. an ERISA Section 103(a)(3)(C) audit is permissible under the circumstances;
 - ii. the investment information is prepared and certified by a qualified institution as described in 29 CFR 2520.103-8;
 - iii. the certification meets the requirements in 29 CFR 2520.103-5; and
 - iv. the certified investment information is appropriately measured, presented, and disclosed in accordance with GAAP as of December 31, 2021;
- c. for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error;
- d. for evaluating whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date the financial statements are issued or available to be issued, and to provide appropriate financial statement disclosure, when applicable, about matters related to going concern and using the going concern basis of accounting unless management is required to prepare the financial statements in accordance with the liquidation basis of accounting;

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- e. for maintaining a current plan instrument, including all plan amendments;
- f. for administering the Plan and determining that the Plan's transactions that are presented and disclosed in the Plan's financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants to determine the benefits due or which may become due to such participants;
- g. for the presentation of the ERISA-required supplementary information and that they were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements including the form and content of the ERISA-required supplementary information in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA;
- h. for identifying and determining that the Plan complies with the laws and regulations applicable to its activities;
- i. to provide us with:
 - i. access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - ii. a draft of Form 5500 that is substantially complete prior to the date of our auditor's report;
 - iii. additional information that we may request from management for the purpose of the audit; and
 - iv. unrestricted access to persons within the Plan from whom we determine it necessary to obtain audit evidence; and
- j. for informing us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

Management's election for the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

Management is responsible for informing us about related party transactions, including transactions with parties in interest, as defined in Section 3(14) of ERISA and the regulations thereunder.

Management is responsible for adjusting the financial statements to correct material misstatements and for affirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

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Management agrees to include the auditor's report on the ERISA-required supplementary information in any document that contains the ERISA-required supplementary information and indicates that the auditor has reported on such supplementary information.

With respect to any nonattest services we may perform, you will be responsible for (a) making all management decisions and performing all management functions; (b) assigning an individual with suitable skills, knowledge, and experience, preferably within senior management, to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

During the course of our engagement, we will request information and explanations from Plan management regarding the Plan's operations, internal controls, future plans, specific transactions and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written representation letter. The Plan agrees that as a condition of our engagement to perform an audit that management will, to the best of its knowledge and belief, be truthful, accurate and complete in all representations made to us during the course of the audit and in the written representation letter. The procedures we perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. False or misleading representations could cause us to expend unnecessary efforts in the audit; or, worse, could cause a material error or a fraud to go undetected by our procedures.

Fees and Invoicing

We estimate that the fee for this engagement will be \$13,700. The fee estimate is based on anticipated cooperation from all involved and the assumption that unexpected circumstances will not be encountered during the engagement. This is only an estimate and the fee for these services will be determined by the complexity of the work performed and the tasks required. If significant additional time is necessary, we will discuss the reasons with you and arrive at a new fee estimate before we incur the additional costs. It is understood that neither our fees nor the payment thereof will be contingent upon the results of this engagement.

In addition to the fee for our services, reasonable and necessary out-of-pocket expenses we incur (such as parking, reproduction and printing, postage and delivery, and out-of-market travel, meals, and accommodations) will be billed at cost. At this time, we do not anticipate incurring substantial expenses. The total amount stated on each invoice will also include a separate administrative and technology charge calculated as three percent (3.0%) of the fee for our services. The charge represents an estimated allocation of our support personnel, telecommunication, and technology infrastructure expenses.

Our engagement fees do not include consulting on the adoption of new accounting standards and any future increased duties because of any regulatory body, auditing standard or an unknown or unplanned significant transaction. We will consult with you in the event any of these take place that may affect our fees.

We will also invoice for reasonable and necessary time and out-of-pocket expenses we incur to respond to any request (such as a subpoena, summons, court order, or administrative investigative demand) pertaining to this engagement in a legal matter to which we are not a party. Our time to facilitate the response will be billed at our then-current standard hourly rates, and our expenses (including attorney's

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fees) will be billed at cost. If we agree to perform additional substantive services related to or arising out of the request, such matters may be the subject of a new engagement letter.

Our invoices are payable on presentation and will be rendered according to the following schedule: one or two progress bills and then a final bill upon delivery of the report. For invoices not paid within sixty (60) days of the invoice date, a late charge will be added to the outstanding balance. The late charge will be assessed at a rate of half a percent (0.5%) of the unpaid balance per month. If invoices are not paid within one hundred twenty (120) days of the invoice date, this engagement will be placed on hold and we will stop work until the balance is brought current, or we may withdraw from this engagement (and any other engagements for you).

Either party may terminate this engagement at any time with ten (10) days written notice to the other party. If the engagement is terminated, our engagement will be deemed to have been completed upon written notification of termination even if we have not issued our report, and you agree to pay us for time expended and expenses incurred through the date of termination.

Ethical Conflict Resolution

In the unlikely event that circumstances occur which we in our sole discretion believe could create a conflict with either the ethical standards of our firm or the ethical standards of our profession in continuing our engagement, we may suspend our services until a satisfactory resolution can be achieved or we may resign from the engagement. We will notify you of such conflict as soon as practicable, and will discuss with you any possible means of resolving them prior to suspending our services.

The hiring of or potential employment discussions with any of our personnel could impair our independence. Accordingly, you agree to inform the engagement partner prior to any such potential employment discussions taking place.

Audit Documentation and Confidentiality

The audit documentation we prepare pertaining to and in support of this engagement is our property and constitutes confidential information. If we are requested to make the audit documentation available to outside parties, except in the case of requests during our peer review (discussed below) or when prohibited by law or direction of law enforcement, any such requests will be discussed with you before we make the documentation available to the requesting parties.

We may be requested to make certain audit documentation (working papers) available to regulators and other government agencies, including the DOL, pursuant to authority given by law or regulation. You should understand that responding to many such requests is mandatory. In those cases, access to such working papers will be provided under our supervision and we may, upon their request, provide the regulator or agency with copies of all or selected working papers. The requesting party may intend or decide to distribute the copies or information contained therein to others, including other regulators or agencies. You will be billed for additional fees as a result of the aforementioned work.

Our firm, as well as other accounting firms, participates in a peer review program covering our audit and accounting practices. This program requires that once every three years, we subject our system of quality control to an examination by another accounting firm. As part of this process, the firm conducting our peer review will review a sample of our work. It is possible that the work we perform for you may be selected for such a review. If it is, our peer review firm is bound by professional standards to keep all information confidential and we are required to provide the required information.

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To maintain independence, we will not act as the host of your financial or non-financial information or as your information back-up service provider. Instead, it is your responsibility to maintain a complete set of your financial and non-financial data and records. If some portion of your data and records is contained only within our files, you agree to inform us before the issuance of our report and we will provide that to you.

The parties do not intend this engagement letter to be for the benefit of any third-party. You may inform us of third-parties who will receive a copy of our audit report. Unless you inform us of such third-parties in writing, we are not aware of who you intend to supply our audit report to and we do not anticipate other third parties' reliance upon our professional services unless expressly stated herein.

During the course of the engagement, we may communicate via fax, email, or other electronic mechanism. Please be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Dispute Resolution Procedure including Jury Waiver

If a dispute arises out of or relates to this engagement or engagement letter, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation before resorting to litigation. In such event, the parties will attempt to agree upon a location, mediator, and mediation procedures, but absent such agreement any party may require mediation in Dallas, Texas, administered by the AAA under its Commercial Mediation Procedures.

This engagement letter and all disputes between the parties shall be governed by, resolved, and construed in accordance with the laws of the State of Texas, without regard to conflict-of-law principles. Any action arising out of or relating to this engagement or engagement letter shall only be brought in, and each party agrees to submit and consent to the exclusive jurisdiction of, the federal or state courts situated in Tarrant County, Texas.

Each party hereby irrevocably waives any right it may have to trial by jury in any proceeding arising out of or relating to this engagement or this engagement letter.

Whenever possible, this engagement letter shall be interpreted in such a manner as to be effective and valid under applicable laws, regulations, or published interpretation, but if any term of this engagement letter is declared illegal, unenforceable, or unconscionable, that term shall be severed or modified and the remaining terms of the engagement letter shall remain in force. The parties agree that the court should modify any term declared to be illegal, unenforceable, or unconscionable in a manner that will retain the intended term as closely as possible.

If because of a change in status or due to any other reason, any provision in this engagement letter would be prohibited by, or would impair our independence under laws, regulations or published interpretations by governmental bodies, professional organizations or other regulatory agencies, such provision shall, to that extent, be of no further force and effect and this agreement shall consist of the remaining portions.

Miscellaneous

We may at times provide you with documents marked as drafts. You understand that those documents are for your review purposes only. You should not distribute or rely upon those documents in any way, and they should be destroyed as soon as possible.

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Although the engagement partner responsible for this engagement is a licensed certified public accountant, we inform you that we have nonlicensees who may provide services pertaining to this engagement.

If you intend to make reference to our firm or include our report or any portion of it in a published document or other reproduction, and that document or other reproduction includes a version of our report or the financial statements that is assembled differently than any version we provided you or audited, you agree to provide us with printers' proofs or masters for our review and approval before reproducing. You also agree to provide us with a copy of the final reproduced material for our written approval before it is distributed. If, in our professional judgment, the circumstances require, we may withhold our approval. This requirement does not pertain to distributing our report or the financial statements when you do not modify their assembly or in situations where you disseminate the audited financial statements as a standalone document, such as on your website.

Unless we provide you with written consent in advance of such use, the audited financial statements and our report are not intended to and should not be provided or otherwise made available for use in connection with the sale of debt or other securities. If, in our professional judgment, the circumstances require, we may withhold our consent.

This engagement letter sets forth all of the agreed upon terms and conditions of our engagement with respect to the matters covered herein, and supersedes any that may have come before. This engagement letter may not be amended or modified except by further writing signed by all the parties.

We appreciate the opportunity to assist you and look forward to working with you and your team.

Sincerely,

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement as described herein, including each party's respective responsibilities. By signing below, the signatory also represents that they have been authorized to execute this agreement.

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By:  _____
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Printed Name: Kelli Shields

Title: Vice President of Human Resources

Date: May-03-2022