

ROBINSON & PAYNE, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
325 WEST SABINE ST, STE 8
CARTHAGE, TEXAS 75633

MEMBERS OF
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

TELEPHONE
(903) 693-8522

March 22, 2017

The Honorable Members
Of The Commissioners' Court
Of Panola County
Carthage, Texas

Gentlemen

We are pleased to provide Panola County, Texas ("you") with the professional services described below. This letter confirms our understanding of the terms and objectives of our engagement and the nature of the limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

Engagement Objective and Scope

- We will compile the capital asset listing and depreciation schedule of all capital assets of Panola County, Texas as of December 31, 2016. Our procedures will include performing a physical inventory count of all capital assets of the Panola County Road and Bridge Department and the Panola County Sheriff's Department, a review of the accounting records and insurance policies, and inquiries of responsible officials to identify current year additions and disposals for the year ended December 31, 2016.
- We will prepare the footnote disclosures related to the capital assets of Panola County and the supplementary schedules applicable to the capital assets of Panola County in a manner so that it can be submitted to the County's independent auditor for inclusion in the County's comprehensive annual financial report (CAFR).

The above information will be prepared in a manner to meet the requirements of the Governmental Accounting Standards Board. The actual documents, summaries and narratives associated with the work will be submitted to the County Auditor, or at his request, directly to the independent auditor of the County.

Our engagement to provide the accounting services outlined above is dependent upon the timeliness, accuracy and completeness of the information and representations that we receive from you. Therefore, providing us with inaccurate or incomplete information or representations may result in incomplete or inaccurate information reported by us. If information changes during the course of the engagement, you must provide our office with the updated information and representations on a timely basis, as the change in information may affect our reports. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters.

This engagement is limited to the professional services outlined above.

March 22, 2017

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The reports and information presented as part of this engagement are intended solely for the use of Panola County, Texas, and should not be used by anyone other than these specified parties

CPA Firm Responsibilities

We will perform our services in accordance with the American Institute of Certified Public Accountants ("AICPA") Code of Professional Conduct

The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures outlined above either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or we will not issue a report as a result of this engagement.

Because the professional services outlined above do not constitute an examination, we will not express an opinion on the information related to capital asset listing and depreciation schedule, and related footnote information and supplementary schedules, of all capital assets of Panola County, Texas. In addition, we have no obligation to perform any procedures beyond those listed above.

Client Responsibilities

You agree to provide us with all information and reports, supporting schedules, and any other records or information that we may request, either at the inception or during the course of the engagement.

As a condition of our performing the services described above, you agree to:

- Designate an individual, Sidney Burns, County Auditor, who possesses suitable skill, knowledge, and experience to oversee our services,
- Evaluate the adequacy and results of the services performed,
- Make all management decisions and perform all management functions,
- Accept responsibility for the results of the services;
- Establish and maintain internal controls as well as monitoring ongoing activities.

You are responsible for the presentation of the capital asset listing and depreciation schedule of all capital assets, and for the related footnote disclosures and supplementary schedules.

Engagement Administration, Fees and Other

Rachael Payne is the engagement partner and is responsible for supervising the engagement.

We estimate that our fees for these services will be approximately \$3,500. This fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

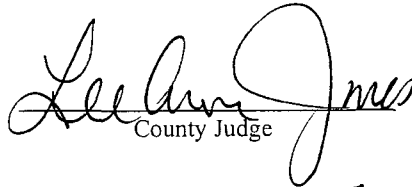
We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional services arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency or procedures.

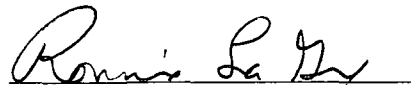
Sincerely,

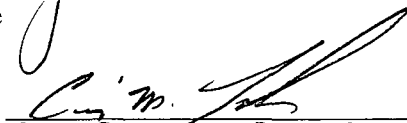
Robinson & Payne
Robinson & Payne, PLLC
Certified Public Accountants

TO: Robinson & Payne, PLLC
Certified Public Accountants


The services described in this letter are in accordance with our requirements and are acceptable to us


County Judge


County Commissioner, Precinct 1


County Commissioner, Precinct 3


County Commissioner, Precinct 2


County Commissioner, Precinct 4