

# Rachael Payne, CPA, PLLC

## Certified Public Accountant

707 University Drive  
Carthage, Texas 75633

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

Telephone: (903) 693-8522  
Fax: (903) 693-8567  
Email: rachael@robwilcpa.com

February 18, 2020

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

Gentlemen:

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

### Engagement Objective and Scope

- I will compile the capital asset listing and depreciation schedule of all capital assets of Panola County, Texas as of December 31, 2019. My 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, 2019.
- I 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.

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

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

This engagement is limited to the professional services outlined above.

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**

I will perform my 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, I 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, I am unable to complete the procedures, I will describe any restrictions on the performance of the procedures in my report, or I will not issue a report as a result of this engagement.

Because the professional services outlined above do not constitute an examination, I 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, I have no obligation to perform any procedures beyond those listed above.

#### **Client Responsibilities**

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

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

- Designate an individual, Jennifer Stacy, County Auditor, who possesses suitable skill, knowledge, and experience to oversee my 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 responsible for the engagement.

I estimate that my 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, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs.

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

Sincerely,

*Rachael Payne*

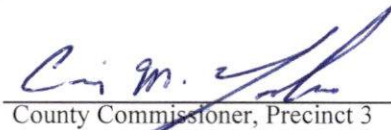
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Certified Public Accountant

TO: Rachael Payne, CPA, PLLC  
Certified Public Accountant

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

  
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County Judge

  
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County Commissioner, Precinct 1

  
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County Commissioner, Precinct 3

  
\_\_\_\_\_  
County Commissioner, Precinct 2

  
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County Commissioner, Precinct 4