

# Rachael Payne, CPA, PLLC

## Certified Public Accountant

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

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September 3, 2024

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

Gentlemen:

I am pleased to confirm 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.

### My Responsibilities

The objectives of my engagement are to provide the following services:

- I will perform a physical inventory count of all capital assets of the Panola County Road and Bridge Department and the Panola County Sheriff's Department.
- I will prepare the capital asset listing and depreciation schedule of all capital assets of Panola County, Texas as of December 31, 2024. My procedures will include a review of the minutes of all Commissioners Court minutes for the year, a review of the general ledger, accounting records and insurance policies, and inquiries of responsible officials to identify current year additions and disposals for the year ended December 31, 2024.
- 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 annual comprehensive financial report (ACFR).
- I will correspond as needed with the County's independent auditor to respond to any inquiries and/or questions related to my work performed and the schedules and disclosures I prepared.

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 her 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.

These services cannot be relied on to disclose errors, fraud, or illegal acts. However, I will inform you of any material errors and of any evidence or information that comes to my attention during the performance of my services regarding illegal acts that may have occurred, unless they are clearly inconsequential. I have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

This engagement is limited to the professional services outlined above.

### **Your Responsibilities**

You are responsible for assuming all management responsibilities and for overseeing the non-attest services I will provide by designating an individual, Jennifer Stacy, County Auditor, who possesses suitable skill, knowledge, and experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

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

- 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**

I, Rachael Payne, am responsible for the engagement.

My fees for these services will be at my standard hourly rates, with an estimated fee of \$5,500. This fee is based on estimated hours on the engagement not exceeding 40 hours.

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.

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.

Sincerely,

*Rachael Payne*

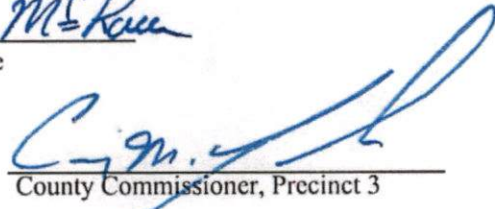
Rachael Payne, CPA, PLLC  
Certified Public Accountant

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.

  
County Judge

  
County Commissioner, Precinct 1

  
County Commissioner, Precinct 3

  
County Commissioner, Precinct 2

  
County Commissioner, Precinct 4