June 22, 2026

Honorable County Commissioners Court
and Management of Panola County, Texas
Panola County Courthouse
Carthage, Texas 75633

The following represents our understanding of the services we will provide the Panola County, Texas ("the County"):

You have requested that we audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Panola County, Texas (County), as of December 31, 2026, and for the year then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents of the Annual Comprehensive Financial Report (ACFR).

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 to 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 auditing standards generally accepted in the United States of America (GAAS) and in accordance with Government Auditing Standards, will always detect a material misstatement when it exists. Misstatements, including omissions, 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.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that management's discussion and analysis (MD&A), and other schedules, be presented to supplement the County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will 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 form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.
2) Budgetary Information.
3) Schedule of Changes in the County's Net Pension Liability and Related Ratios
4) Schedule of Employer Contributions
5) Schedule of Changes in the County's Net OPEB Liability and Related Ratios – Health Plan
6) Schedule of Employer Contributions – Health Plan
7) Schedule of Changes in the County's Net OPEB Liability and Related Ratios – Supplemental Death Benefits Plan
8) Schedule of Employer Contributions – Supplemental Death Benefits Plan
9) Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – General Fund
10) Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Road and Bridge Special Revenue Fund

Supplementary information other than RSI will accompany the County's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

1) Combining Balance Sheets – Non-Major Governmental Funds, Non-Major Special Revenue Funds, and Non-Major Capital Projects Funds
2) Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
3) Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Non-Major Governmental Funds
4) Combining Statement of Fiduciary Net Position – All Agency Funds
5) Combining Statement of Changes in Fiduciary Net Position – All Agency Funds

Auditor Responsibilities

We will conduct our audit in accordance with GAAS and in accordance with Government Auditing Standards. As part of an audit in accordance with GAAS and in accordance with Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We will 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 entity'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.
- 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.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about[*Entity Name*]'s ability to continue as a going concern for a reasonable period of time.

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 and in accordance with Government Auditing Standards.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

GMP Assurance PLLC
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Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the County's compliance with the provisions of applicable laws, regulations, contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
b. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement whether due to error, fraudulent financial reporting, misappropriation of assets or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
c. 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 basic financial statements such as records, documentation and other matters;
    ii. Additional information that we may request from management for the purpose of the audit; and
    iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
d. For including the auditors' report in any document containing basic financial statements that indicates that such basic financial statements have been audited by the entity's auditor;
e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
g. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
i. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
j. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

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

Non-Attest Services

With respect to any non-attest services we perform,

At the end of the year, we agree to perform the following:

- Propose adjusting or correcting journal entries to be reviewed and approved by the County's management.
- Prepare the basic financials statements and related notes as identified on page one of this letter as well as the RSI and supplementary information.
- Consult with the County on implementation of any new GASB Standards.
- Assist the County with the recording of its capital assets for the year for the government wide presentation in the audit report and we will compute the annual depreciation on the County's capital assets for the year ended December 31, 2026 on software that is maintained on our server. As part of our internal safeguards to maintain independence, we will provide the County with a copy of all of our work papers related to capital assets and our deprecation schedule.

We will not assume management responsibilities on behalf of the County. However, we will provide advice and recommendations to assist management of the County in performing its responsibilities.

The County's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual 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.

Our responsibilities and limitations of the non-attest services are as follows:

- We will perform the services in accordance with applicable professional standards

- The non-attest services are limited to the those identified above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

We will issue a written report upon completion of our audit of the County's basic financial statements. Our report will be addressed to the governing body of Panola County, Texas. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Fees and Timing

Upon acceptance of this engagement letter, we will meet with the County Auditor to map out a schedule for the audit. We expect to begin our audit as soon as mutually convenient after year-end (usually late March 2027 or early April 2027) and to issue our reports no later than your first Commissioners Court meeting in June 2027. As part of our engagement, we will consult with you regarding a time during December 2026 to conduct interim field work. In addition to the normal audit procedures, we will also conduct a year-end observation and test counts (as necessary) of the physical inventory that includes all donated materials.

Fees and Timing (continued)

Kevin R. Cashion, CPA is the engagement partner for the audit services specified in this letter. His responsibilities include supervising GMP Assurance PLLC's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Based on our preliminary estimates, the fee for audit service related to the County's ACFR, including travel, should approximate $68,250 and the services related to the assembly of the County's capital assets and recording of depreciation will be $6,500. Our services will be invoiced monthly as the audit work progresses. Payment of our services will be due within 30 days of each invoice date. A finance charge of 6% simple interest, calculated at 0.5% per month, will be assessed on any unpaid balance after deduction of current payments made within thirty days of the date of billing. In accordance with our firm policies, work may be suspended if your account becomes 45 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the County's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

Other Matters

We understand that your employees will prepare all confirmations we request and will locate any document or support for any other transactions we select for testing.

We will provide copies of our reports to management and the Commissioner's Court for Panola County, Texas; however, management is responsible for distribution of the reports and the basic financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection. If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The audit documentation for this engagement is the property of GMP Assurance PLLC and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to federal agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of GMP Assurance PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by certain federal agencies. If we are aware that a federal awarding agency, pass through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Other Matters (continued)

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.

You agree to inform us of facts that may affect the basic 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

At the conclusion of our audit engagement, we will communicate to the County Commissioners the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Sincerely,

GMP Assurance PLLC

Kevin R. Cashion

Kevin R. Cashion, CPA

RESPONSE:

This letter correctly sets forth the understanding of Panola County, Texas

By: Rodger G. McLane

Title: County Judge

Date: July 14, 2026

June 22, 2026

To the Honorable County Commissioners Court
and Management of Panola County, Texas

This letter is provided in connection with our engagement to audit the financial statements and to audit compliance over major federal award programs of Panola County, Texas as of and for the year ended December 31, 2026. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit and the planned scope and timing of our audit.

Our Responsibilities

As stated in our engagement letter dated June 22, 2026, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America and with Government Auditing Standards of the Comptroller General of the United States of America, for the purpose of forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit does not relieve you or management of your respective responsibilities.

Our responsibility for supplementary information required by the Government Accounting Standards Board, and included in the document containing the audited financial statements and our report thereon includes only the information identified in our report. We have no responsibility for determining whether the required supplementary information is properly stated.

Our responsibility as it relates to additional supplementary information is to evaluate its presentation for the purpose of forming and expressing an opinion as to whether the information is fairly stated in all material respects in relation to the financial statements as a whole.

Planned Scope of the Audit

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or material noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS, and *Government Auditing Standards* of the Comptroller General of the United States of America.

Our audits will include obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements, the risk of material noncompliance in the major federal awards programs, and as a basis for designing the nature, timing, and extent of further audit procedures. However, we will communicate to you at the conclusion of our audit, significant matters that are relevant to your responsibilities in overseeing the financial reporting process, including any material weaknesses, significant deficiencies, and violation of laws or regulations that come to our attention. Our responsibility as auditors is, of course limited to the period covered by our audit and does not extend to any other periods.

Although we are currently in the planning stage of our audit, we have identified the following significant risks during our audit to date that require special audit consideration:

- Management override of controls
    - Substantive procedures will be performed addressing manual journal entries prepared by management, management's use of accounting estimates, and significant unusual transactions occurring in the fiscal year.

- Improper revenue recognition due to fraud

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- Substantive procedures will be performed to gain assurance over the existence of revenue recognized in the fiscal year.
- Additional procedures, including a combination of transactional and data-analytic-driven tests, will be performed on revenue cycle sand transactions with a higher risk profile.

We will conduct our planning for the audit and will schedule a time to conduct interim field work at the County's offices sometime during November or December 2026. We will conduct our final field work beginning April 2027 and we plan to issue our final report to the Commissioners Court in the June 2027 meeting.

This information is intended solely for the information and use of the Commissioners Court and management of Panola County, Texas and is not intended to be and should not be used by anyone other than these specified parties.

GMP Assurance PLLC

Certified Public Accountants
Tyler, Texas

GMP Assurance PLLC
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TERMS AND CONDITIONS FOR ATTEST SERVICES

1. Alternative Practice Structure. GMP Assurance PLLC and Gollob Morgan Peddy Inc. (dba GMP Advisors) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. GMP Assurance PLLC provides attest services to its clients. GMP Advisors is not a licensed CPA firm and does not provide audit or attest services. You have engaged GMP Assurance PLLC ("Firm") to provide the services described in the Agreement.

2. Use of Leased Employees, Subcontractors and Third-Party Products. In performing our engagement pursuant to this Agreement, we will lease professional and administrative staff, who are employed by GMP Advisors or its related entities. These individuals will be under the direct control and supervision of GMP Assurance PLLC, which is solely responsible for the performance of the engagement. Additionally, the professional staff of GMP Assurance PLLC and GMP Advisors and their related entities are subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information.

   We may, in our sole discretion, use affiliates of ours ("Affiliated Entities") or qualified third-party service providers (together with our Affiliated Entities, "Subcontractors"), to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose Confidential Information and Personal Information (as such terms are defined below) to them. Such recipients are bound by confidentiality obligations. You acknowledge and agree that our use of Subcontractors may involve the processing, input, disclosure, movement, transfer, and storage of your information and data, including Confidential Information and Personal Information outside of our technology infrastructure. We will be responsible to you for the performance of our Subcontractors, solely as related to the services performed under this Agreement, subject to all limitations and disclaimers herein.

   We also may provide services to you using third-party software, or products (collectively, "Third-Party Product(s)"). You acknowledge that the use of a Third-Party Product may involve the processing, input, transfer, or storage of information provided to us, which may result in the access, transfer, storage or processing of such information and data outside of the United States. You hereby consent to the disclosure of your information, including your Confidential Information and Personal Information as described herein for purposes related to providing services to you.

   You acknowledge that the use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control. We will not be liable for any damage relating to such limitations, delays, delivery failures, interruptions, errors, or other problems. Nor will we be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data resulting from the use of a Third-Party Product.

3. Ownership of Workpapers. The workpapers for the engagement performed pursuant to this Agreement are the property of the Firm. For the purposes of this Agreement, the term "workpaper" shall mean the confidential and proprietary records of the Firm's procedures performed, relevant evidence obtained, other service-related workpapers, and conclusions reached.

4. Third Party Discovery. In the event we are required by government regulation, subpoena or other legal process or formal inquiry, to produce our documents, communications, or our personnel as witnesses with respect to our engagement with you, you will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our reasonable professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to and cooperating with such requests.

5. Expenses and Timely Payment. In addition to our professional fees, you will reimburse us for all out-of-pocket expenses reasonably and necessarily incurred in performing the services pursuant to the Agreement.

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The client and the firm agree that no claim arising out of or relating to the services rendered pursuant to this agreement shall be commenced more than one year after the date of the work product is issued by the firm or the date of the termination of this agreement if no work product has been issued.

To the maximum extent permitted by applicable law, regulations, and professional standards, in no event will we, our affiliated entities, or any of our or their partners, employees, subcontractors, agents or other representatives be liable for any of the following arising out of or relating to this agreement or the services, regardless of the form of action, whether based in contract, warranty, tort (including negligence), statute, strict liability, or otherwise: (a) special, indirect, incidental, consequential, punitive or exemplary damages of any nature, including, but not limited to, business interruption or loss of profits, revenue, contracts, opportunities, goodwill, reputation, productivity, facilities, data or equipment, even if such damages were foreseeable.

6. Dispute Resolution - Mediation & Arbitration.

i. Any dispute arising out of or relating to the Agreement, or breach thereof, shall first be submitted for good faith mediation administered by the American Arbitration Association ("AAA") and its Accounting and Related Services Arbitration Rules and Mediation Procedures (the "Rules"). The Parties agree to discuss their differences in good faith and to attempt, with facilitation by the mediator, to reach a consensual resolution of the dispute. The mediation will be treated as a settlement discussion and shall be confidential. The mediator may not testify for any Party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceeding. Each Party shall bear its own costs in the mediation. Absent an agreement to the contrary, the fees and expenses of the mediator shall be shared equally by the Parties. Mediation shall occur at a location designated by the Parties within 50 miles of Tyler.

ii. If the matter is not resolved by mediation within sixty (60) days following the Parties' first appearance before the mediator, then the Parties shall have an additional sixty (60) days to file a written demand for arbitration administered by the AAA under its Rules. If the Parties fail to file the written demand for arbitration within such sixty (60) day period, the Parties agree that any potential claims shall be waived.

iii. The arbitration will be conducted before a single arbitrator selected from the AAA's Panel of Accounting Professionals and Attorneys and shall occur at a location designated by the Parties within 50 miles of Tyler. The arbitrator shall be a fit and impartial person and shall have at least ten (10) years' experience in commercial litigation, accounting or a similar field connected to the subject matter of the dispute. The arbitrator, with the aforementioned requisite qualifications, shall be selected pursuant to the Rules.

iv. The arbitrator shall issue his or her final award in a written and reasoned decision to be provided to each Party. The arbitrator shall apply a burden of proof standard requiring clear and convincing evidence on claims by either party. In his or her decision, the arbitrator will declare one Party the prevailing Party. The arbitrator shall have no authority to award non-monetary or equitable relief of any sort. The arbitrator shall not have authority to award damages that are punitive in nature, or that are not measured by the prevailing Party's actual compensatory loss.

v. Any discovery sought in connection with the arbitration must be expressly approved by the arbitrator only upon a showing of substantial need by the Party seeking discovery.

vi. All aspects of the arbitration shall be treated as confidential. The Parties and the arbitrator may disclose the existence, content or result of the arbitration only as expressly provided by the Rules.

vii. The award reached as a result of the arbitration will be binding on the Parties and confirmation of the arbitration award may be sought in any court having jurisdiction.

7. Governing Law. The Agreement, and all claims or causes of action (whether in contract, tort, statute or otherwise) that may be based upon, arise out of, or relate to this Agreement, or the facts and circumstances relating to its

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negotiation, execution or performance, shall be governed by the laws of Texas, without giving effect to any provisions relating to conflict of laws that would require the laws of another jurisdiction to apply.

8. No third-party reliance. Any deliverable issued as part of this Agreement is intended only for the Client. Unless otherwise specifically agreed to by Firm, no third party is entitled to rely in any manner or for any purpose on any report, opinion, work product, deliverable, or other services of Firm in connection with this agreement. You will obtain our written consent, and provide us a copy for review, prior to providing any Firm deliverable to a third party.

9. Confidentiality and Data Privacy. We will treat your Confidential Information with the same degree of care as we treat our own confidential and proprietary information of a similar nature, but in no event will such standard of care be less than a commercially reasonable standard of care. Except as authorized by this Agreement or as required by law or regulation, we will not disclose your Confidential Information to any third party without your consent.

   The term "Confidential Information" means any non-public information that a reasonable person would understand should be kept confidential based on its nature, the circumstances of its disclosure, or any designation as confidential by the disclosing party. Confidential Information does not include information that (1) is or becomes publicly available other than as the result of a disclosure in breach hereof, (2) becomes available to us on a nonconfidential basis from a source that we believe is not prohibited from disclosing such information to us, (3) is already known by us without any obligation of confidentiality with respect thereto, or (4) is developed by us independently of any disclosures made to us hereunder.

   The term "Personal Information" means any personal information or data, as may be defined by applicable privacy, data protection, or cybersecurity laws, that directly or indirectly identifies a natural person. Each party agrees to transmit Personal Information consistent with applicable laws and any other obligations the respective party may have.

   The Client consents to the Firm and its Affiliated Entities using Confidential Information and Personal Information provided by or on behalf of the Client to: (i) improve the quality and scope of our services; and/or (ii) develop or perform internal data analysis and business analytics. The Firm and its Affiliated Entities will not use or disclose such Confidential Information or Personal Information in a way that would permit the Client or an individual to be identified by third parties.

   You represent and warrant that you have provided all notices and obtained all consents required under applicable data protection laws prior to your collection, use and disclosure to the Firm of such Personal Information and shall take reasonable steps to ensure that such Personal Information does not include irrelevant or unnecessary information about individuals.

   Our Privacy Policy is available on our website (the "Privacy Policy"), and the Privacy Policy is hereby incorporated by reference into the Agreement. The Privacy Policy may be amended from time to time in our sole discretion and without prior notice to you. You acknowledge that you have read and understand the Privacy Policy and agree to the practices described therein.

10. Retention of Records. You have the sole responsibility for retaining and maintaining in your possession or custody all of your financial and non-financial records related to this Agreement. We will not host, and will not accept responsibility to host, any of your records. We, however, may maintain a copy of any records necessary for us to comply with applicable law and/or professional standards or to exercise our rights under this Agreement. Any such records retained by us will be subject to the confidentiality obligations set forth herein and destroyed in accordance with our record retention policies. Upon request, we will return all your original records to you.

11. Disclaimer of Warranties**.** You agree that we are not responsible for determining the appropriateness or suitability of the type of services provided pursuant to this agreement for your purposes. You acknowledge that the services do not include, and we shall not be responsible for providing, any procedures designed to discover significant errors, fraud, defalcations or other irregularities, should any exist.

12. Termination. Unless otherwise terminated consistent with these terms, our Agreement ends upon the completion of the Services for which we have been engaged. We may immediately terminate the Agreement and withdraw from providing any further Services if: (a) we become aware of any information, including, but not limited to, actual, alleged, or suspected fraud, misconduct, or other noncompliance with laws and regulations, which causes us, in our sole judgment, to have reasonable doubt as to the integrity of you, your management, owners, or those charged with governance; (b) you fail to timely provide us with information we request; (c) we are unable to complete the services pursuant to the Agreement or are unable to form an opinion for reasons beyond our control; or (d) we are unable to complete our services in accordance with professional standards and ethical obligations.

    Upon the conclusion of the Agreement or if we withdraw or it is terminated for any reason, you will pay our fees for work performed and expenses incurred through the effective date of such withdrawal or termination. We may withhold any work product until all invoices have been paid.

13. Force Majeure. Neither the Firm nor the Client shall be responsible for any delay or failure in its performance resulting from acts beyond its reasonable control (each, a "Force Majeure Event"). Force Majeure Events include, but are not limited to, acts of God, government or war, riots or strikes, disasters, fires, floods, epidemics, pandemics or outbreaks of communicable disease, cyberattacks, and internet or other system or network outages.

14. Survival. The parties agree that those provisions of this Agreement which, by their context, are intended to survive, including, but not limited to, payment, limitations on liability, dispute resolution, use and ownership, and confidentiality obligations, shall survive the termination of this Agreement.

15. Non-solicitation. Any discussions that you, or any party acting on your behalf, have with professional personnel of our Firm regarding employment could pose a threat to our independence and interfere with our ability to render certain services to you. During the term of this Agreement and for a period of 24 months following its termination for any reason, Client agrees not to directly or indirectly solicit, hire, retain, or encourage to leave, any person who is, or was during the term of the Agreement, an employee, contractor, or consultant of the Firm or one of its Affiliated Entities. You agree to compensate us for any damage we may incur, including replacing our personnel, lost revenue and/or impairing our independence. This provision shall not apply to general solicitations of employment not specifically directed toward employees of the Firm, or to former employees of the Firm whose employment has been terminated for a period of six (6) months or longer.

16. Assignment. You may not assign the Agreement, or your rights or obligations under the Agreement, without our consent.

17. Marketing. We may mention your name and provide a general description of the Agreement in our client lists and marketing materials.

18. Notices. All notices sent to the other party must be in writing.

19. Additional Services. If you request that we perform any services outside the scope of this Agreement, they will be the subject of a separate engagement document. In the event a separate engagement document is not issued, these terms and conditions will apply to those services.

20. Entire Agreement. The Agreement, which includes these Terms and Conditions, constitutes the entire agreement between the Firm and the Client and supersedes all prior agreements, understandings, and proposals, whether oral or written, relating to the subject matter of this Agreement, including any separate nondisclosure agreement executed between the parties.

    Any term of this Agreement that would be prohibited by or impair our independence under applicable law or regulation shall not apply, to the extent necessary only to avoid such prohibition or impairment. If any term or provision of this Agreement is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

GMP Assurance PLLC
1001 ESE Loop 323, Suite 300, Tyler, TX 75701
Tel 903-534-0088 Fax 903-581-3915 www.gmp-advisors.com

This Agreement may be amended or modified only in writing signed by both parties.

Confirmed and agreed on behalf of Panola County, Texas by:

Name: Rodger G McLane

Title: County Judge

Date: July 14, 2026

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Report on the Firm's System of Quality Control

December 17, 2024

To the Owners of Gollob Morgan Peddy PC and the Peer Review Committee of the Texas Society of Certified Public Accountants,

We have reviewed the system of quality control for the accounting and auditing practice of Gollob Morgan Peddy PC (the firm) in effect for the year ended June 30, 2024. 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 on 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 and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of 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 on in conformity with the requirements of applicable 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 and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* including a compliance audit 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.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Gollob Morgan Peddy PC in effect for the year ended June 30, 2024, 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 deficiency(ies), or fail. Gollob Morgan Peddy PC has received a peer review rating of pass.

Condley and Company, L.L.P.

Condley and Company, L.L.P.