

**NOTICE OF MEETING (•) OF THE
COMMISSIONERS COURT OF JACK COUNTY, TEXAS**

• Assistive Listening Devices Available on Request for Use during Court Session

Notice is hereby given that a Meeting of the above named Commissioners Court will be held on **Monday the 13th day of November, 2017 at 10:00 o'clock a.m.**, in the County Courthouse, Jacksboro, Texas, at which time the following subjects* will be discussed and appropriate action taken, to-wit:

These subjects may or may not be discussed in the order shown. All items listed below as part of the called "Consent Agenda Items" require no deliberation by the Court. Each Court member has the prerogative of removing an item from this agenda so that it may be considered separately.

1. PUBLIC FORUM (Limited to 5 minutes per person);
2. PAYMENT OF CLAIMS;
3. CONSENT AGENDA ITEMS:
 - (a) Approval of Minutes of November 6, 2017 and November 8, 2017;
 - (b) Retention of Professional Services by Rylander, Clay & Optiz to conduct annual independent audit of county funds for year ending September 30 2017 and approval of execution of letter on scope of work;
 - (c) Approval of Notice and Bid Specifications regarding County fuel purchasing for FY18;
 - (d) Reception of Certificates of Training Hours for Elected/Appointed County Official/Officer: James Brock, County Commissioner;
4. TIMED AGENDA ITEMS: None
5. Update, if any, on LEC Roof Replacement Project;
6. ***Executive Session in compliance with Section 551.074 of the Texas Government Code***, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, *i.e.* consider appointment of interim county official in the event of resignation;
7. Action, if any, regarding Item 6 above in Open Session;
8. **EXECUTIVE SESSION** in compliance with Section 551.076 of the Texas Government Code, to deliberate the deployment, or specific occasions for implementation, of security personnel or devices; or a security audit;
9. Action, if any, regarding Item 8 above in Open Session;
10. Reports, if any, by other Department Heads;
11. Disposition of CTIF leased packer vehicle under Romco Lease previously tabled;
12. Reconsider adoption of policy on disposal of unclaimed funds;
13. Discussion of Commissioner Precinct Operations;
14. FUTURE AGENDA ITEMS; AND;
15. ADJOURNMENT.

Dated this the 9th day of November, 2017

Commissioners Court of Jack County, Texas



Mitchell G. Davenport, Judge of Commissioners Court

FILED FOR RECORD

_____ O'CLOCK _____ M

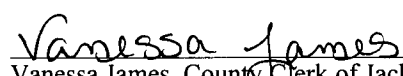
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VANESSA JAMES, County Clerk
JACK COUNTY, TEXAS

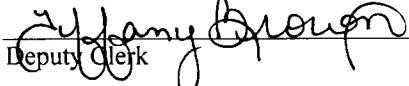
BY _____ DEPUTY

I, the undersigned County Clerk, do hereby certify that the above Notice of Meeting of the above named Commissioners Court, is a true and correct copy of said Notice, and that I posted a true and correct copy of said Notice on the bulletin board at the Courthouse door of Jack County, Texas, at a place readily accessible to the general public at all times on the 9th day of November, 2017, and said Notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

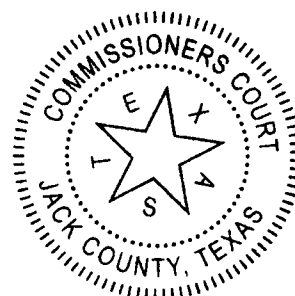
Dated this the 9th day of November, 2017, at 453 ~~am~~ pm



Vanessa James, County Clerk of Jack County, Texas

By: 

Deputy Clerk



NOV 21 2017

MINUTES

VANESSA JAMES, County Clerk
JACK COUNTY, TEXAS

On this the 13th day of November, 2017 the Commissioners Court of Jack County, Texas met in
Regular session at 10:06 a.m. with the following elected officials present:

BY _____ DEPUTY

Keith Umphress, Commissioner Pct. 1
James L Brock, Commissioner Pct. 2
Henry Birdwell, Jr., Commissioner Pct. 3
Terry Ward., Commissioner Pct. 4
Mitchell G. Davenport, County Judge

PUBLIC HEARING

Nothing new to report

PAYMENT OF ACCOUNTS AND CLAIMS

All accounts were submitted to the Court for approval.

Judge Davenport made a motion to pay all claims submitted. Commissioner Brock seconded and the motion passed unanimously.

CONSENT AGENDA ITEMS

- (a) Approval of Minutes of November 6, 2017 and November 8, 2017;
- (b) Retention of Professional Services by Rylander, Clay & Optiz to conduct annual independent audit of county funds for year ending September 30, 2017 and approval of execution of letter on scope of work;
- (c) Approval of Notice and Bid Specifications regarding County fuel purchasing for FY18;
- (d) Reception of Certificates of Training Hours for Elected/Appointed County Official/Officer: James Brock, County Commissioner;

Judge Davenport made a motion to adopt Consent Agenda items with the exception of November 8, 2017 minutes. Commissioner Ward seconded and the motion passed unanimously.

TIMED AGENDA

None.

UPDATE ON LEC ROOF REPLACEMENT PROJECT

Judge Davenport informed the Commissioners that Burnett Hunt has been in contact with TAC about the scope of work on the roof and hoping they will allow more funds for the repair.

EXECUTIVE SESSION

Executive Session in compliance with Section 551.074 of the Texas Government Code, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, i.e. consider appointment of interim county official in the event of resignation.

ACTION, IF ANY REGARDING EXECUTIVE SESSION IN OPEN SESSION

No action.

Executive Session in compliance with Section 551.076 of the Texas Government Code, to deliberate the deployment or specific occasions for implementation, of security personnel or devices; or a security audit.

ACTION, IF ANY REGARDING EXECUTIVE SESSION IN OPEN SESSION

No action.

DEPARTMENT HEADS

County Clerk Vanessa James reported to the Commissioners that the recent election went well. A Canvass date was set for November 20, 2017.

Commissioner Umphress submitted his resignation as County Commissioner Precinct 1 and announced that he will be running for County Judge.

County Auditor Lisa Perry reported that County software proposal will need to be advertised again.

Judge Davenport reported that he was in on a webinar regarding the 199/380 flyway. They are still working on the design. He also received an email from FEMA regarding a flood map for the county.

DISPOSITION OF CTIF LEASED PACKER VEHICLE UNDER ROMCO LEASE,
PREVIOUSLY TABLED

Commissioner Birdwell made a motion to open this item for discussion. Commissioner Umphress seconded and the motion passed unanimously.

After much discussion Judge Davenport made a motion to table the item again. Commissioner Umphress seconded and the motion passed unanimously.

RECONSIDER ADOPTION OF POLICY ON DISPOSAL OF UNCLAIMED FUNDS

County Treasurer Kim Gibby gave information on a proposed policy. She has been in contact with the Comptroller of Public accounts to find information for the proposal.

Motion was made by Judge Davenport to adopt the policy as proposed as our local policy on unclaimed funds. Commissioner Ward seconded and the motion passed unanimously.

COMMISSIONER PRECINCT OPERATIONS

Commissioner Umphress reported that he reached out to Kevin Howell with TXDOT regarding an area in the north part of the county where high water floods residents in. Mr. Howell is needing more information to present to TXDOT to see if this area would be eligible for bridge funding.

FUTURE AGENDA ITEMS

None.

ADJOURNMENT

There being no further business motion was made by Commissioner Umphress to adjourn. Commissioner Brock seconded the motion to adjourn and the motion passed unanimously.

Meeting was adjourned at 12:25 p.m.

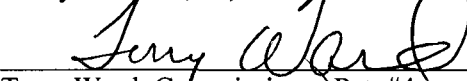
Keith Umphress, Commissioner Pct. #1




James Brock, Commissioner Pct. #2



Henry Birdwell, Jr., Commissioner Pct. #3

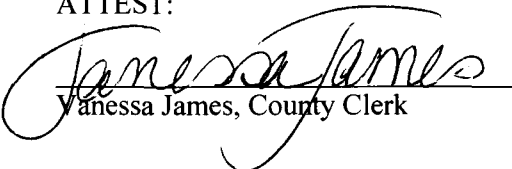


Terry Ward, Commissioner Pct. #4



Mitchell G. Davenport, County Judge

ATTEST:



Vanessa James, County Clerk



FILED FOR RECORD

THE HON. KIM GIBBY
JACK COUNTY TREASURER

_____ O'CLOCK _____ M

NOV 13 2017

DATE: NOV. 13, 2017

VANESSA JAMES, County Clerk
JACK COUNTY, TEXAS



TO: JACK COUNTY COMMISSIONERS COURT

PLEASE REVIEW AND APPROVE THE FOLLOWING _____ DEPUTY

INVOICE NUMBERS: 91921-92036

10	Precinct #1	\$	13,706.75
20	Precinct #2	\$	14,904.38
30	Precinct #3	\$	9,075.14
40	Precinct #4	\$	8,285.89
51	R&B Heavy Equipment		
52	CTIF Fund		
70	Law Library	\$	270.00
71	Appellate Judicial System		
72	County Court RTA		
73	District Court RTA		
78	County Clerk RM&P		
79	District Clerk RM&P		
80	Records Preservation		
82	Guardianship Fund		
84	CH Renovation		
85	CH Renovation I&S fund bal		
90	General Fund	\$	49,503.36
92	Dist. & Co. Court Tech		
93	Probate Education		
94	Records Management		
95	Courthouse Security		
96	Justice Court Tech		
98	Interest & Sinking		
99	State Fines & Fees		
		\$	95,745.52

APPROVED THIS 13TH DAY OF NOVEMBER, 2017


KEITH UMPHRESS, COMMISSIONER, PCT. 1


HENRY BIRDWELL JR., COMMISSIONER, PCT. 3


MITCHELL G. DAVENPORT, COUNTY JUDGE


JAMES BROCK, COMMISSIONER, PCT. 2


TERRY WARD, COMMISSIONER, PCT. 4

POLICY AND PROCEDURES FOR CENTRALIZED UNCLAIMED FUNDS REPORTING JACK COUNTY, TEXAS

THE PURPOSE OF THIS POLICY AND RELATED PROCEDURES IS TO ESTABLISH AND STANDARDIZE ACCOUNTING POLICY FOR THE HANDLING OF UNCLAIMED FUNDS LESS THAN \$100.

THIS POLICY IS ALSO APPLICABLE TO HOLDERS CHOOSING TO CENTRALIZE THE ACCOUNTING AND REPORTING FOR UNCLAIMED FUNDS OVER \$100 WITH THE JACK COUNTY TREASURER.

THE EFFECTIVE DATE OF THIS POLICY IS THE NOV. 13, 2017.

Chapters 72 through 76 of the Texas Property Code set the requirements for unclaimed property. Section 72.001(e) defines a “holder” as a “person, wherever organized or domiciled, who is: (1) in possession of property that belongs to another, (2) a trustee; or (3) indebted to another on an obligation.” Chapter 72.001(d) also states “A holder of property presumed abandoned under this chapter is subject to the procedures of Chapter 74.” Chapter 74 requires annual reporting and remittance of unclaimed property to the Texas Comptroller of Public Accounts for amounts over \$100.

Each elected officer or department head with signature authority/responsibility for a bank account would be considered a holder under these statutes. Additionally, the Jack County Treasurer is a holder of property and as such is required to report and remit amounts over \$100 to the Comptroller annually. Chapter 76 of the Property Code requires holders of property to report and remit amounts less than or equal to \$100 to the County Treasurer. The County Treasurer is responsible for development and management of an unclaimed property program for amounts equal to or less than \$100.

In order to improve efficiency and reduce the amount of time and reports required, the Jack County Treasurer has agreed to act as the holder for unclaimed property over \$100 for Jack County until such time the funds can be remitted to the State. This allows each elected official/department head to submit the information and funds to the Treasurer when property dormancy has occurred and provides for centralized reporting to the Comptroller. If the elected official/department head chooses to retain their holder status for funds greater than \$100, they will be responsible for reporting and remitting the property to the Comptroller as set out in Chapter 74 of the Property Code. Elected officials/department heads choosing to retain their holder status for funds over \$100 are asked to notify the Treasurer’s office in writing.

A. GENERAL DEFINITIONS

1. **Inmate Trust Funds** - Undeliverable or uncashed checks for the balance of inmate trust funds while in jail. Sent to the County Treasurer after 90 days and due diligence.
2. **“Stale” Checks** - Uncashed checks written by any local official with a checking account. Sent to the County Treasurer after 90 days and due diligence.

3. **Trust Funds** - Funds of minors, or persons determined to be incompetent. The dormancy period begins on these funds after a disbursement order has been signed by the Judge and the check has been sent to the last known address. Funds sent to the County Treasurer after 90 days and due diligence.
4. **Interpleaded (civil) Cases** - Until a case is resolved, the court may require rent or other payments to be made to the registry. Dormancy period begins after disbursement order from the court and a check has been issued by the office to the last known address. Funds sent to the County Treasurer after 90 days and due diligence.
5. **Funds Paid in Satisfaction of a Judgment** - Includes payments into a registry by Court order and payments by judgment debtor to satisfy a claim when a judgment creditor cannot be found. Funds sent to the County Treasurer after 90 days and due diligence.
6. **Cash Bonds** - Bonds required in civil cases for specific performance, injunctions, sequestrations, TROs, and others. Dormancy period begins after court has released funds and check has been sent to the last known address. Funds sent to the County Treasurer after 90 days and due diligence.
7. **Funds in an Eminent Domain Proceeding** - Final proceeds from condemnation proceedings. Sent to the County Treasurer after 90 days and due diligence,
8. **Divorce Cases** - Property and funds from divorce cases required to be paid into the registry of the court. Dormancy period begins after judgment ordering disbursement and check has been mailed to the last known address. Funds sent to the County Treasurer after 90 days and due diligence.
9. **Child Support Funds** - Only applicable to checks/money orders made payable to the clerk. Checks/money orders made payable to the mother, father, guardian etc. are not negotiable by the clerk and are not to be reported or remitted as unclaimed funds. Funds held more than 3 days are considered dormant. Sent to the Treasurer after 90 days and due diligence.
10. **Dormancy** - Property/funds that remains inactive. Departments should consider property/funds dormant when it has been inactive for 90 days and is not waiting on a judgment or other governmental action to disburse. The Treasurer should consider unclaimed property dormant from date property is received from a department, based on the schedule provided by the Texas Comptroller of Public Accounts. (See attached schedule)
11. **Escheat Funds** - Property due to unidentified heirs when a person dies without a will. There is no waiting period for dormancy. The State may begin acquisition proceedings as soon as the court renders its judgment.
12. **Probate Funds** - Property due to identified but unlocated heirs when a person dies with a will. Dormancy begins six months after final accounting. These require a court order to pay County Treasurer/Comptroller.
13. **Cash Bail Bonds** - Unclaimed criminal cash bail bonds are registry funds but CCP Art. 17.02 require court order to release. These require reporting but not release to state or treasurer without court order. "Dormancy period begins on the date of entry of final judgment or order of dismissal in the action in which the funds were deposited" Section 117.002 of the Local Government Code and Supreme Court of Texas Opinion No. 98-0784.

14. **Property Tax Refunds due to tax roll changes** - Unclaimed refunds due to a change in the tax roll value. Claims do not expire, Must be refunded automatically. Sent to the County Treasurer after 90 days and due diligence.
15. **County Treasurer's Checks** - Uncashed checks issued by County Treasurer become non-negotiable after 1 year. Upon expiration, these funds become county revenue.
16. **Juror Checks** - Uncashed juror checks become non-negotiable after 90 days. These funds become county revenue upon expiration.
17. **Unclaimed Wages** - An amount of unclaimed wages is presumed abandoned if the existence and location of the person is unknown for longer than one year and a claim to the wages has not been asserted or an act of ownership of the wages has not been exercised. Presumably all wages are paid through the Jack County Treasurer and unclaimed wages will be remitted to the Unclaimed Fund after one year and due diligence.
18. **Property Tax Refunds** – Unclaimed refunds due to a change in the tax roll. Claims don't expire. Must be refunded or sent to Comptroller after 3 years.
19. **Property Tax Refunds** - Erroneous and overpayments. Sent to the Treasurer after 90 days and due diligence. These claims expire after 3 years and become county revenue.
20. **Excess of Tax Liability from Forced Sales** - Unclaimed excess of tax liability due to original property owner. Funds are distributed to each taxing unit in proportion to original claim 2 years after sale. Funds are never remitted to Treasurer or Comptroller.

B. UNCLAIMED FUNDS

Section 76.601 of the Texas Property Code states the treasurer of the depository shall maintain a fund known as the unclaimed money fund for abandoned property less than \$100. Monies are considered unclaimed when checks have been disbursed, but have not been negotiated or have been returned by mail. All funds submitted as unclaimed to the County Treasurer should have adequate information detailing owner's name, social security number, driver's license or state identification number, email address, and last known address. It should also include a description of the property (i.e. refund, erroneous/overpayment, tax roll changes, etc.), a balance of the account, and date of last transaction with the owner concerning the property, and any other information that might be deemed necessary. This information should be provided by the department remitting unclaimed funds to the County Treasurer.

Departments will be accountable for the funds in their depository accounts to determine if they meet the requirements, as defined, to be remitted to the Treasurer's office as unclaimed funds. It will be the responsibility of the department to send letters of due diligence to the owners prior to remitting any funds as unclaimed.

C. DUE DILIGENCE

Departments will be responsible for the due diligence requirements established by the Texas Property Code Sec 74.1011 on all funds that are dormant, Once the department has found property to be dormant for 90 days, a letter of due diligence must be sent to the last known address of the

owner notifying them of the property and providing the owner a method for claiming the property. If the property is claimed, the department shall void original payment, if necessary, and reissue payment. However, if no response is received or letter is returned by mail within 30 days of mailing, a copy of the letter and the funds are to be submitted to the County Treasurer as unclaimed.

D. COUNTY TREASURER VENDOR CHECKS

Checks that are paid to County vendors for goods or services by the County Treasurer will be reviewed with the monthly bank reconciliation. These checks become non-negotiable after one year. The Treasurer's office will be responsible for due diligence on vendor checks and will mail out affidavits regarding any outstanding payments to vendors for goods/services. Once the vendor has contacted the County for collection of monies owed to them, the original check will be voided and re-issued. However, if no response is received from the vendor within the allotted time, the original check will be voided and the monies will go into County revenue.

E. PUBLISHED NOTICE

The County will provide information on the county website regarding unclaimed funds. This information will include a list of names, general information, required documentation for making a claim, and claim forms.

A detailed list of unclaimed property will be provided to the Information Technology department annually in the calendar year immediately following the year which the property report is filed. This is to be published on the County website.

F. CLAIMING PROPERTY

The Treasurer will be responsible for reviewing all claims and required documentation, in an effort to determine if sufficient proof of ownership has been submitted. Claims that have been reviewed and verified will be processed to remit property back to the owner. If it is determined that sufficient proof of ownership has not been provided, payment will not be made.

Procedure: The claim form will include instructions for its completion and describes documentation needed in addition to the form. All claims have general requirements such as:

- Standard forms of identification for the owner and the claimant, if someone other than the original owner is claiming
- Verification of the reported address if different from the current address
- Death certificate and probated will or other heirship documents if the original owner is deceased

G. REPORTING UNCLAIMED FUNDS TO THE STATE

The Treasurer's office is responsible for the property/funds remitted to them as Unclaimed Funds.

All monies in the Unclaimed Funds account are reconciled at fiscal year end to the general ledger and reported to the Auditor's office.

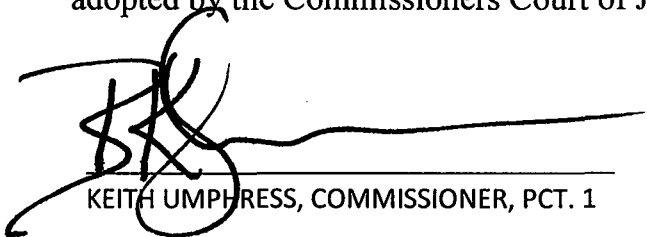
The reporting period for the State is (3) years back starting on July 1st and ending June 30th. Property reported to the Treasurer as unclaimed is held three (3) years from date it is received before considered for reporting to the Texas Comptroller as Unclaimed Funds. The County Treasurer will perform the required due diligence on all funds that have been remitted to the County Treasurer as of the effective date of this policy.

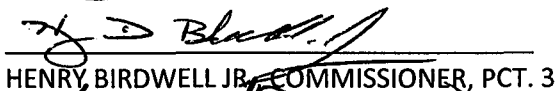
The Unclaimed Funds data will be compiled and all eligible amounts in the account over \$100 will be entered into the State's unclaimed property software and submitted via internet by November 1st. A payment for the amount reported to the State will be disbursed payable to the Texas Comptroller of Public Accounts, The check, along with the official filing form will be mailed to the State on or before November 1st.

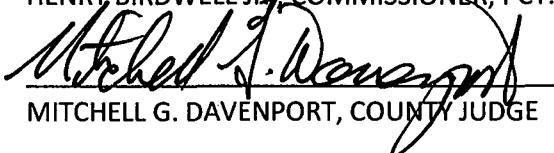
H. RECORD RETENTION

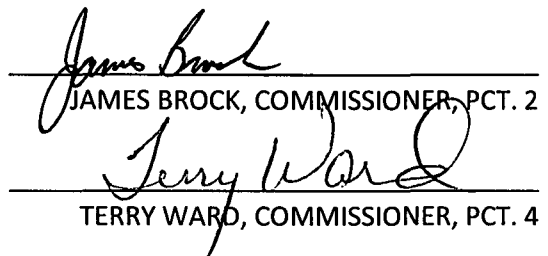
The Treasurer's office shall retain a record of all property reported to the state for 10 years from the date which the property is reportable, as stated in Section 74.103 of the Property Code. The Treasurer's office may choose to maintain a hard copy or an electronic copy of all payments deemed unclaimed funds.

The Policy and Procedures for Centralized Unclaimed Funds Reporting for Jack County was adopted by the Commissioners Court of Jack County on this, the 13th day of November, 2017.


KEITH UMPHRESS, COMMISSIONER, PCT. 1


HENRY BIRDWELL JR., COMMISSIONER, PCT. 3


MITCHELL G. DAVENPORT, COUNTY JUDGE


JAMES BROCK, COMMISSIONER, PCT. 2


TERRY WARD, COMMISSIONER, PCT. 4

ATTEST:


VANESSA JAMES, COUNTY CLERK



November 13, 2017

Distinguished Members of the Court,

I Love Jack County!!! It has truly been an honor to serve as Pct. 1 Commissioner the last 2.5 years. Thank you to Commissioner Ward and Former Commissioner Cozart for making the motion and taking a chance on me filling Commissioner Smith's vacancy.

I probably joined the Commissioners Court during an extremely challenging time following the floods of 2015. I want to thank Commissioner Brock for his patience and willingness to share his expertise on how to properly build a County Road. Judge Davenport, you have always had an "open door" policy when I needed direction and advise. Your passion to always serve in the best interest of Jack County has made a deep impression on me. Commissioner Birdwell, you had big shoes to fill and expectations where set high as you join the court. You have brought a new dynamic to this group and am honored to call you friend.

Vanessa, Kim, Lisa and Kim we could not function as a County without your dedication and leadership Thank you for the long hours and restless nights you give to make our County Better.

As you may suspect or already know, today I will resign as Pct. 1 Commissioner and in the same sentence announce publicly my Candidacy for County Judge.

Respect submitted,



Brian Keith Umphress

NOV 16 2017

VANESSA JAMES, County Clerk
JACK COUNTY, TEXAS

BY _____ DEPUTY

October 17, 2017

Honorable Judge Mitchell Davenport
Jack County
100 Main Street
Jacksboro, Texas 76458

The Objective and Scope of the Audit of the Regulatory basis financial Statements

You have requested that we audit the financial statements of Jack County, Texas (the "County"), which comprise general purpose financial statements in accordance with standards necessary for the County's bond company ("regulatory basis financial statements"), which is not intended to be in accordance with accounting principles generally accepted in the United States of America as defined in GASB # 34 as of and for the year-ended September 30, 2017. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion on the regulatory basis financial statements.

The Responsibilities of the Auditor

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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. Also, an audit is not designed to detect errors or fraud that are immaterial to the regulatory basis financial statements. The determination of abuse is subjective; therefore, Government Auditing Standards do not expect us to provide reasonable assurance of detecting abuse.

In making our risk assessments, we consider internal control relevant to the County's preparation and fair presentation of the regulatory basis financial statements 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 County'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 regulatory basis financial statements that we have identified during the audit.

We will also communicate to the Commissioners' Court (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the regulatory basis financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

The funds that you have told us are maintained by the County and that are to be included as part of our audit are listed as an attachment.

Our report(s) on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards identified above. Our report(s) on compliance matters will address material errors, fraud, abuse, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts, and any state or federal grant, entitlement, or loan program questioned costs of which we become aware, consistent with requirements of the standards identified above.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

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

- a. For the preparation and fair presentation of the regulatory basis financial statements in accordance with standards necessary for the County's bond company;
- b. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not evaluate subsequent events earlier than the date of the management representation letter referred to below;
- c. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory basis financial statements that are free from material misstatement, whether due to fraud or error; and
- c. For establishing and maintaining effective internal control over financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge;
- d. For (a) making us aware of significant vendor relationships where the vendor is responsible for program compliance, (b) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings, and a corrective action plan, and (c) report distribution including submitting the reporting package[s]; and
- e. To provide us with:
 - (1) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the regulatory basis financial statements such as records, documentation, and other matters;
 - (2) Additional information that we may request from management for the purpose of the audit; and



- (3) Unrestricted access to persons within the County from whom we determine it necessary to obtain audit evidence.
- (4) When applicable, a summary schedule of prior audit findings for inclusion in the single audit reporting package; and
- (5) If applicable, responses to any findings reported on the schedule of findings and questioned costs.

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 including among other items:

- a. That management has fulfilled its responsibilities as set out in the terms of this letter; and
- b. That it believes 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 regulatory basis financial statements taken as a whole.

Management is responsible for identifying and ensuring that County complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud or abuse, and for informing us about all known or suspected fraud or abuse affecting the County involving management, employees who have significant roles in internal control, and others where the fraud or abuse could have a material effect on the regulatory basis financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or abuse or suspected fraud or abuse affecting the County received in communications from employees, former employees, regulators, or others.

Management is responsible for the preparation of the supplementary information in accordance with the regulatory basis. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited regulatory basis financial statements or, if the supplementary information will not be presented with audited regulatory basis financial statements, to make the audited regulatory basis financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

The Commissioners' Court is responsible for informing us of its views about the risks of fraud or abuse within the County, and its knowledge of any fraud or abuse or suspected fraud or abuse affecting the County.

The County agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, the County agrees to contact us before it includes our reports or otherwise makes reference to us, in any public or private securities offering.

Our association with an official statement is a matter for which separate arrangements will be necessary. The County agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when the County seeks such consent, we will be under no obligation to grant such consent or approval.



Because Rylander, Clay & Opitz, LLP (“RCO”) will rely on the County and its management and Commissioners’ Court to discharge the foregoing responsibilities, the County holds harmless and releases RCO, its partners, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of the County’s management which has caused, in any respect, RCO’s breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

The County’s Records and Assistance

If circumstances arise relating to the condition of the County’s records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the regulatory basis financial statements because of error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion, issue a report, or withdraw from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the County’s books and records. The County will determine that all such data, if necessary, will be so reflected. Accordingly, the County will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by County personnel, including the preparation of schedules and analyses of accounts, will be discussed and coordinated with the county auditor and the assistant county auditor. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

In connection with our audit, you have requested us to perform certain non-attest services necessary for the preparation of the regulatory basis financial statements, including drafting the regulatory basis financial statements and supplementary information. The independence standards of the “Government Auditing Standards” issued by the Comptroller General of the United States GAS require that the auditor maintain independence so that opinions, findings, conclusions, judgments, and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-attest service to the County, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-attest services provided. A critical component of our determination is consideration of management’s ability to effectively oversee the non-audit service to be performed. The County has agreed to contract with Birdwell, Quinn & Co., P.C. and has determined that they possess suitable skill, knowledge, and experience and understands the services to be performed sufficiently to oversee them. Accordingly, the management of the County agrees to the following:

1. The County has contracted with Kenneth Savell with Birdwell, Quinn & Co., P.C., who possesses suitable skill, knowledge, and experience to oversee the services.
2. The County will assume all management responsibilities for subject matter and scope of the regulatory financial statements.
3. The County will evaluate the adequacy and results of the services performed.
4. The County accepts responsibility for the results and ultimate use of the services.

GAS further requires we establish an understanding with the management and those charged with governance of the County of the objectives of the non-audit service, the services to be performed, the



County's acceptance of its responsibilities, the auditor's responsibilities, and any limitations of the non-audit service. We believe this letter documents that understanding.

Other Relevant Information

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

In accordance with Government Auditing Standards, a copy of our most recent peer review report is enclosed for your information.

Fees, Costs, and Access to Workpapers

Our fees for the audit and accounting services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses. Completion of our work is based upon the following criteria:

- a. Anticipated cooperation from County personnel and contracted accountants
- b. Timely responses to our inquiries
- c. Timely completion and delivery of client assistance requests
- d. Timely communication of all significant accounting and financial reporting matters
- e. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, the County agrees it will compensate RCO for any additional costs incurred as a result of the County's employment of a partner or professional employee of RCO.

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

The documentation for this engagement is the property of RCO. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of RCO audit personnel and at a location designated by RCO.



Claim Resolution

The County and RCO agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than two years after the date of the audit report issued by RCO or the date of this arrangement letter if no report has been issued. The County waives any claim for punitive damages. RCO's liability for all claims, damages and costs of the County arising from this engagement is limited to the amount of fees paid by the County to RCO for the services rendered under this arrangement letter.

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.

Reporting

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

In addition to our report on the County's regulatory basis financial statements, we will also issue the following types of reports:

- Reports on internal control related to the regulatory basis financial statements. These reports will describe the scope of testing of internal control and the results of our tests of internal controls.
- An accompanying schedule of findings and questioned costs.
- Reports on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report any noncompliance which could have a material effect on the financial statements and any noncompliance which could have a material effect.

This letter constitutes the complete and exclusive statement of agreement between Rylander, Clay & Opitz LLP and Jack County, Texas, superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement between the parties.

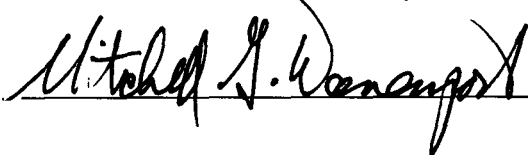
Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the regulatory basis financial statements including our respective responsibilities.

RYLANDER, CLAY & OPITZ LLP



Donna L. Mayes, Partner

Confirmed on behalf of the County:



Mitchell J. Wenzel



ATTACHMENT A
FUNDS AND ACCOUNT GROUPS

- General Fund
- Debt Service Fund
- Special Revenue Funds
- Capital Project Fund
- Agency Fund
- General Fixed Asset Account Group
- General Long Term Debt Account Group



System Review Report

September 9, 2014

To the Partners of Rylander Clay & Opitz, LLP
and the Peer Review Committee of the Texas Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Rylander Clay & Opitz, LLP (the Firm) in effect for the year ended June 30, 2014. 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. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

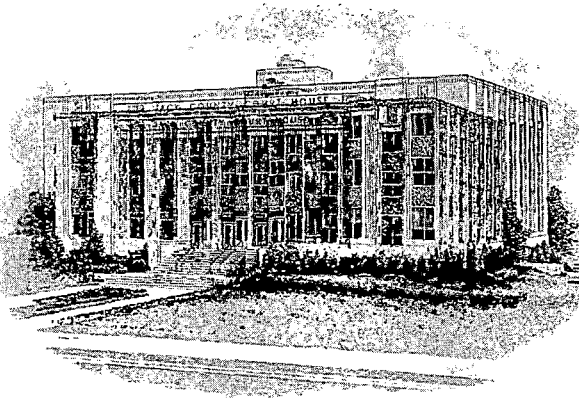
As required by the standards, engagements selected for review included audits performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Rylander Clay & Opitz, LLP in effect for the year ended June 30, 2014, 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*. Rylander Clay & Opitz, LLP has received a peer review rating of *pass*.

Fitts, Roberts & Co., P.C.

Fitts, Roberts & Co., P.C.
Mark K. Johnson, CPA

JACK COUNTY



The Hon. Kim Gibby
Jack County Treasurer
100 N. Main St., Suite 201
Jacksboro, TX 76458
(940) 567-2251 (office)
(940) 567-5978 (fax)

Oct. 18, 2017

JACKSBORO, TEXAS

This is a repeat of an agenda item (June 22, 2015) that was tabled and never brought back to Commissioners Court for discussion.

The Unclaimed Property Account has funds in it that long ago should have gone into the General Fund to be distributed to statutorily designated agencies.

Several years ago, the County Clerk turned in list of outstanding checks that have been incorporated into the Unclaimed Property Fund, but there are other fee accounts that have stale-dated checks or other unclaimed property that, as mandated by statute, should be listed on the County Website or turned over the State Comptroller.

It is my recommendation that Commissioners Court give the treasurer authority to distribute funds to appropriate agencies and post listed owners of unclaimed property to the County Website as mandated by statute. Also needed is an (updated?) Unclaimed Property Reporting Policy for stale dated checks for all county fee accounts.

Once this policy is put in place, I will get with Frank Hefner about the Website and the other officers that have outstanding checks to add to the list.

FILED FOR RECORD

_____ O'CLOCK _____ M

AUG 14 2018

VANESSA JAMES, County Clerk
JACK COUNTY, TEXAS

BY _____ DEPUTY



R | C | O RYLANDER, CLAY & OPITZ, LLP
CERTIFIED PUBLIC ACCOUNTANTS
Smart Solutions. Real Results.

FILED FOR RECORD

_____ O'CLOCK _____ M

AUG 30 2018

VANESSA JAMES, County Clerk
JACK COUNTY, TEXAS

BY _____ DEPUTY

October 17, 2017

Commissioners' Court
Jack County
100 Main Street
Jacksboro, Texas 76458

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of Jack County, Texas (the "County") regulatory basis financial statements as of and for the year ended September 30, 2017.

Communication

Effective two-way communication between our firm and the Commissioners' Court is important to understanding matters related to the audit and in developing a constructive working relationship.

Your insights may assist us in understanding the County and its environment, in identifying appropriate sources of audit evidence, and in providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate with us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the regulatory basis financial statements, illegal acts that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We also will communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. Also, if an immediate family member or close relative of a partner or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with firm policy. In addition, our policies restrict certain non-audit services that may be provided by the firm and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how your County functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of your County. The development of a specific audit plan will begin by meeting with you and with management to obtain an understanding of business objectives, strategies, risks, and performance.

We will obtain an understanding of internal control to assess the impact of internal control on determining the nature, timing and extent of audit procedures, and we will establish an overall materiality limit for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your regulatory basis financial statements might be susceptible to material misstatement due to fraud or error.

We will use this knowledge and understanding, together with other factors, to first assess the risk that errors or fraud may cause a material misstatement at the financial statement level. The assessment of the risks of material misstatement at the financial statement level provides us with parameters within which to design the audit procedures for specific account balances and classes of transactions. Our risk assessment process at the account-balance or class-of-transactions level consists of:

- An assessment of inherent risk (the susceptibility of an assertion relating to an account balance or class of transactions to a material misstatement, assuming there are no related controls); and
- An evaluation of the design effectiveness of internal control over financial reporting and our assessment of control risk (the risk that a material misstatement could occur in an assertion and not be prevented or detected on a timely basis by the County's internal control).

We will then determine the nature, timing and extent of tests of controls and substantive procedures necessary given the risks identified and the controls as we understand them.

The Concept of Materiality in Planning and Executing the Audit

In planning the audit, the materiality limit is viewed as the maximum aggregate amount of misstatements, which if detected and not corrected, would cause us to modify our opinion on the regulatory basis financial statements. The materiality limit is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current regulatory basis financial statements as well as regulatory basis financial statements of future periods. At the end of the audit, we will inform you of all individual unrecorded misstatements aggregated by us in connection with our evaluation of our audit test results.

Our Approach to Internal Control Relevant to the Audit

Our audit of the regulatory basis financial statements will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Our review and understanding of the County's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

Timing of the Audit

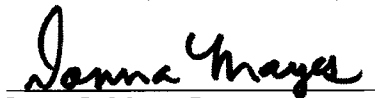
We will schedule final field work commencing in December 2017. Management's adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the County.

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

RYLANDER, CLAY & OPITZ, LLP



Donna L. Mayes, Partner



October 17, 2017

Honorable Judge Mitchell Davenport
Jack County
100 Main Street
Jacksboro, Texas 76458

The Objective and Scope of the Audit of the Regulatory basis financial Statements

You have requested that we audit the financial statements of Jack County, Texas (the "County"), which comprise general purpose financial statements in accordance with standards necessary for the County's bond company ("regulatory basis financial statements"), which is not intended to be in accordance with accounting principles generally accepted in the United States of America as defined in GASB # 34 as of and for the year-ended September 30, 2017. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion on the regulatory basis financial statements.

The Responsibilities of the Auditor

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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. Also, an audit is not designed to detect errors or fraud that are immaterial to the regulatory basis financial statements. The determination of abuse is subjective; therefore, Government Auditing Standards do not expect us to provide reasonable assurance of detecting abuse.

In making our risk assessments, we consider internal control relevant to the County's preparation and fair presentation of the regulatory basis financial statements 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 County'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 regulatory basis financial statements that we have identified during the audit.

We will also communicate to the Commissioners' Court (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the regulatory basis financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

The funds that you have told us are maintained by the County and that are to be included as part of our audit are listed as an attachment.

Our report(s) on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards identified above. Our report(s) on compliance matters will address material errors, fraud, abuse, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts, and any state or federal grant, entitlement, or loan program questioned costs of which we become aware, consistent with requirements of the standards identified above.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

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

- a. For the preparation and fair presentation of the regulatory basis financial statements in accordance with standards necessary for the County's bond company;
- b. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not evaluate subsequent events earlier than the date of the management representation letter referred to below;
- c. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory basis financial statements that are free from material misstatement, whether due to fraud or error; and
- c. For establishing and maintaining effective internal control over financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge;
- d. For (a) making us aware of significant vendor relationships where the vendor is responsible for program compliance, (b) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings, and a corrective action plan, and (c) report distribution including submitting the reporting package[s]; and
- e. To provide us with:
 - (1) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the regulatory basis financial statements such as records, documentation, and other matters;
 - (2) Additional information that we may request from management for the purpose of the audit; and



- (3) Unrestricted access to persons within the County from whom we determine it necessary to obtain audit evidence.
- (4) When applicable, a summary schedule of prior audit findings for inclusion in the single audit reporting package; and
- (5) If applicable, responses to any findings reported on the schedule of findings and questioned costs.

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 including among other items:

- a. That management has fulfilled its responsibilities as set out in the terms of this letter; and
- b. That it believes 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 regulatory basis financial statements taken as a whole.

Management is responsible for identifying and ensuring that County complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud or abuse, and for informing us about all known or suspected fraud or abuse affecting the County involving management, employees who have significant roles in internal control, and others where the fraud or abuse could have a material effect on the regulatory basis financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or abuse or suspected fraud or abuse affecting the County received in communications from employees, former employees, regulators, or others.

Management is responsible for the preparation of the supplementary information in accordance with the regulatory basis. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited regulatory basis financial statements or, if the supplementary information will not be presented with audited regulatory basis financial statements, to make the audited regulatory basis financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

The Commissioners' Court is responsible for informing us of its views about the risks of fraud or abuse within the County, and its knowledge of any fraud or abuse or suspected fraud or abuse affecting the County.

The County agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, the County agrees to contact us before it includes our reports or otherwise makes reference to us, in any public or private securities offering.

Our association with an official statement is a matter for which separate arrangements will be necessary. The County agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when the County seeks such consent, we will be under no obligation to grant such consent or approval.



Because Rylander, Clay & Opitz, LLP (“RCO”) will rely on the County and its management and Commissioners’ Court to discharge the foregoing responsibilities, the County holds harmless and releases RCO, its partners, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of the County’s management which has caused, in any respect, RCO’s breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

The County’s Records and Assistance

If circumstances arise relating to the condition of the County’s records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the regulatory basis financial statements because of error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion, issue a report, or withdraw from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the County’s books and records. The County will determine that all such data, if necessary, will be so reflected. Accordingly, the County will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by County personnel, including the preparation of schedules and analyses of accounts, will be discussed and coordinated with the county auditor and the assistant county auditor. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

In connection with our audit, you have requested us to perform certain non-attest services necessary for the preparation of the regulatory basis financial statements, including drafting the regulatory basis financial statements and supplementary information. The independence standards of the “Government Auditing Standards” issued by the Comptroller General of the United States GAS require that the auditor maintain independence so that opinions, findings, conclusions, judgments, and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-attest service to the County, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-attest services provided. A critical component of our determination is consideration of management’s ability to effectively oversee the non-audit service to be performed. The County has agreed to contract with Birdwell, Quinn & Co., P.C. and has determined that they possess suitable skill, knowledge, and experience and understands the services to be performed sufficiently to oversee them. Accordingly, the management of the County agrees to the following:

1. The County has contracted with Kenneth Savell with Birdwell, Quinn & Co., P.C., who possesses suitable skill, knowledge, and experience to oversee the services.
2. The County will assume all management responsibilities for subject matter and scope of the regulatory financial statements.
3. The County will evaluate the adequacy and results of the services performed.
4. The County accepts responsibility for the results and ultimate use of the services.

GAS further requires we establish an understanding with the management and those charged with governance of the County of the objectives of the non-audit service, the services to be performed, the



County's acceptance of its responsibilities, the auditor's responsibilities, and any limitations of the non-audit service. We believe this letter documents that understanding.

Other Relevant Information

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

In accordance with Government Auditing Standards, a copy of our most recent peer review report is enclosed for your information.

Fees, Costs, and Access to Workpapers

Our fees for the audit and accounting services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses. Completion of our work is based upon the following criteria:

- a. Anticipated cooperation from County personnel and contracted accountants
- b. Timely responses to our inquiries
- c. Timely completion and delivery of client assistance requests
- d. Timely communication of all significant accounting and financial reporting matters
- e. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, the County agrees it will compensate RCO for any additional costs incurred as a result of the County's employment of a partner or professional employee of RCO.

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

The documentation for this engagement is the property of RCO. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of RCO audit personnel and at a location designated by RCO.

