

JACK COUNTY, TEXAS

Proposal to Provide Audit Services

September 30, 2021

Contact:

Michael D. Edgin, Shareholder

Edgin, Parkman, Fleming & Fleming, PC
P. O. Box 750
Wichita Falls, Texas 76307-0750

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February 2, 2024



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EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

February 2, 2024

Lisa Perry
County Auditor
Jack County, Texas
100 N. Main Street, Suite 202
Jacksboro, Texas 76548

Dear Ms. Perry:

Edgin, Parkman, Fleming & Fleming, PC is pleased to respond to your Request for Proposal for Auditing Services to serve as the independent auditor for Jack County, Texas (County) for the audit period October 1, 2020 through September 30, 2021. We fully understand the scope and terms of the services as stated in the Request for Proposal and sincerely believe that we are the auditors who best match your needs and expectations.

It is our understanding that our services, in general, would include an organization-wide audit of the County for the purpose of expressing an opinion on the County's basic financial statements. The audit will be performed in accordance with generally accepted governmental auditing standards, as promulgated by the United States General Accounting Office in *Government Auditing Standards*, and the AICPA Audits of States, Local Governments, and Non-Profit Organizations.

We believe that the information in this proposal demonstrates that Edgin, Parkman, Fleming & Fleming, PC is well qualified to serve as the County's independent auditor and will commit to performance of the audit within the time period specified in your proposal. In summary, we believe that you will benefit by engaging our firm for the following reasons:

- A significant portion of our practice is devoted to serving as independent auditor for governmental and related clients. We currently serve seven counties, fourteen cities, twenty-nine school districts, five education service centers, two councils of government, ten appraisal districts, and various other governmental entities.
- Our staff has completed extensive training programs and has significant experience in providing accounting, auditing and related services to governmental entities. We are knowledgeable of both state and federal audit requirements. This will ensure that the staff assigned to the audit will not be inefficient because they lack knowledge or skills in these areas.
- Members of our audit team have had direct experience auditing counties as well as other governmental entities and are experienced in the complexities involved with your operations.
- We are also familiar with the County's accounting software, Net Data, as we audit other counties that use the software.

- We utilize IDEA Data Analysis Software which enables us to apply unique approaches to analyzing information, from reviewing data within vendor master files, duplicate payouts, sampling, detecting ghost employees, falsifying wage claims, etc.
- We use Citrix Sharefile for both encrypted emails and a secured portal to protect shared files and other information. Both allow the upmost security in transferring data between the County and EPFF.
- In addition to participating in the voluntary peer review program of the American Institute of Certified Public Accountants, our firm also belongs to the Governmental Audit Quality Center.
- We have maintained long-term relationships with many of our clients which is evidence of their continued satisfaction in the quality of the services we provide year-after-year. It is this kind of relationship we seek to develop with the County.
- We work with other governmental entities within the County including the City of Jacksboro, Jacksboro Independent School District, Jack County Appraisal District, and the Jack County Water Control and Improvement District No. 1 so we are familiar with the geographical area and its happenings.

With respect to our proposal and other matters related to this engagement, the following person is authorized to make representations on behalf of, and bind, our Firm:

Mr. Michael D. Edgin, Shareholder

He may be contacted by phone at (940) 766-5550, by mail at P.O. Box 750, Wichita Falls, Texas, 76307-0750 or email at medgin@epffpc.com.

We appreciate this opportunity to present our qualifications, capabilities and the approach we will take to serve your needs. We believe the quality and experience of the personnel involved, our approach and the organization of our efforts are all of vital importance in providing you with outstanding professional services.

We will be happy to discuss any questions you may have regarding our proposal or any other matters related to this engagement.

Very truly yours,

Edgin, Parkman, Fleming & Fleming, PC

EDGIN, PARKMAN, FLEMING & FLEMING, PC



SCOPE OF SERVICES

PRIMARY OBJECTIVE

The audit of the County consists of two separate but related components. The first of these components is a financial statement audit conducted in accordance with auditing standards generally accepted in the United States of America with a primary objective of providing an opinion that the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

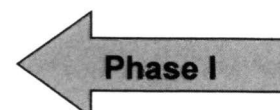
The second component of the engagement is the audit conducted in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*. In planning and performing our audit, we consider the entity's internal control over financial reporting and perform tests of compliance with certain provisions of laws and regulations that could have a direct and material effect on the determination of financial statement amounts. While no opinion is expressed on internal controls or compliance, a separate report will be issued under *Government Auditing Standards* to report on any identified weaknesses in internal control or noncompliance with the laws and regulations.

AUDIT APPROACH

A key element of our audit approach relies on meaningful ongoing communication between your management and our audit team. Therefore, we keep management up to date on new standards and accounting requirements and management can keep us informed of issues that could affect the audit. Typically, we perform entrance and exit conferences to go over key issues.

Our audit approach is broken down into the following four basic phases.

Planning



Audits are performed based on risk assessments. While risk assessments are performed continually during the audit, the foundation is set in the planning phase. Experience and knowledge of an entity's regulatory and political environment, open communication with management and practical experience in similar engagements provides a basis for proper risk identification. The planning phase calls for obtaining an understanding of your operating environment. To obtain a sufficient understanding, the engagement team will obtain organization charts, review current year activities, review budgets, policy and procedure manuals, read minutes of the board of the governing body, and make inquiries of key management, board members, and key personnel.

These inquiries will include questions of these individuals of their knowledge of known or expected fraud. We will also utilize analytical procedures (year-to-year variances, ratio analysis, relationship analysis, etc.) to identify possible areas of concern. The analysis will be performed for each significant audit area. The analysis will begin with the relevant management assertion applicable to each of the significant areas. By beginning our analysis with the management assertions (existence or occurrence, completeness, rights or obligations, valuation, accuracy, and cutoff), we have a higher probability of properly identifying relevant risk. The culmination of the risk assessment process is the proper identification of risk areas and the development of adequate audit procedures to address those risks. Too many procedures increase cost and inefficiencies that should be avoided. Too few procedures could lead to an ineffective audit.

Operational and Control System Analysis



Within this phase, we obtain an understanding of internal controls for significant transaction cycles within each key audit area identified in Phase I. Using questionnaires, interviews, policy and procedure manuals, and walk-throughs of transactions, a full understanding of the flow of financial information for each key audit area will be used to identify strengths and weaknesses in the financial reporting process. Using the results of these procedures we not only develop conclusions and recommendations, but also tailor audit programs for our testing. The information gained through the risk assessment process allows us to determine the nature, timing, and extent of work that will be required to obtain reasonable assurance of account balances and express our opinion.

As part of the above process, we are also able to ascertain and develop a list of items we will need to complete our audit and provide that list to management in advance of fieldwork procedures. This allows management to gather documents and information on their own time frame and not on short notice during fieldwork, thus allowing for fewer disruptions to your management and staff. Of course, we also make sure our procedures are unpredictable to some extent so some information will be requested throughout the audit process that will not be part of the items needed list.

Testing and Fieldwork



The testing and fieldwork phase is where we carry out the procedures that were custom tailored during the first two phases of the audit process. There are two broad types of audit tests. We perform substantive tests on transactions where we obtain reasonable assurance as to the validity of information produced by the accounting system. We may also perform tests of controls, the objective of which is to determine if the internal control procedures are working as intended. If controls are designed and operating effectively, it provides a higher level of assurance that the related financial transactions are properly recorded and can limit the amount of substantive testing that is required to obtain the necessary evidence to support our opinion.

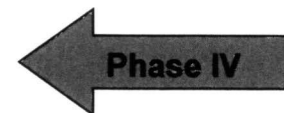
There are numerous procedures we use to test financial data. Some examples of tests are as follows:

- Sampling of transactions – sample size depends on account balance, number of transactions within the ending balance, and the overall risk as determined during the previous two phases.
- Confirmation of balances and other data with third parties that are independent.
- Recalculation of balances.
- Analytical procedures such as comparing predictive balances to actual balances based on expectations developed from knowledge of the subject matter.
- Reading contracts and other agreements.

Testing is performed at the assertion level for each material or significant audit area. Examples of these assertions for the cash audit area can be put in context as follows:

- The cash reported on the balance sheet exists.
- All cash owned by the entity should be presented on the balance sheet.
- The cash on the balance sheet should be in the name, or owned by the entity.
- The cash reported should be at an accurate balance; as such properly reconciled.
- Checks written from a cash account should be properly posted in the correct period. Cash should not be deducted from the financial statements if they were not written and released on or before the balance sheet date. Cash receipts should not be recorded to the accounts until it is actually received.

Reporting, Evaluations, and Supervision



Once the testing and fieldwork are finalized, the shareholder in charge will complete his review of the audit documentation prepared as part of the audit. Conclusions will be finalized about the types of letters and opinions that will be rendered and if there are any findings that need to be reported either in the audit report or in a separate letter. The audit report will be written to meet the requirements of Governmental Accounting Standards Board Statement No. 34 and other applicable standards and will include our various opinion letters and other required correspondence. As part of our firm's quality internal control process, the audit report, various letters, and the audit workpapers will also be reviewed by one of our shareholders that is independent of the audit team.

At a minimum, we will issue the following reports:

- Independent Auditor's Report on the governmental activities, each major fund, and the aggregate remaining fund information. The applicable supplementary information and the schedule of expenditures of federal and state awards included in the Annual Financial Report will have an opinion "in-relation-to" the financial statements as a whole.
- Report on internal controls and compliance required by *Government Auditing Standards*.
- Report on Communication with Those Charged with Governance required under AICPA AU-C Section 260.

If conditions are discovered which lead to the belief that errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the County may exist, or if any other circumstances are encountered that require extended services, we will promptly advise you. However, no extended services will be performed unless they are authorized in writing.

Instances of fraud, waste, and illegal acts or indications of such, including all questioned costs will be covered. A management letter, if required, will be submitted as a separate report.

All audit documentation will be retained for at least 5 years in a paperless working paper software and will be made available for examination if requested by authorized representatives of the County, grantor agencies, or the state auditor's office.

Fieldwork Timing and Completion

As soon as we are approved to be the County's independent auditors, we will begin the process by reviewing the predecessor auditor's workpapers and send the County a list of the items needed for the audit. After receiving the items needed, we will coordinate the audit dates with the County and perform audit procedures. Once fieldwork is complete, an exit conference will be scheduled to go over any findings or recommendations our team may have.

A preliminary draft of the report will be submitted to the County Auditor within 3 weeks of the completion of the audit fieldwork. Upon review and approval of the report, we will prepare the final copies to be delivered shortly after that.

SUMMARY OF QUALIFICATIONS AND EXPERIENCE



ORGANIZATION AND STRUCTURE

Edgin, Parkman, Fleming & Fleming, PC is a certified public accounting and consulting firm located in Wichita Falls, Texas consisting of three owners and six other professional staff. A total of seven professionals are licensed certified public accountants. Our firm was formed to establish a practice specializing in governmental and not-for-profit auditing and consulting. We perform audits, reviews, and compilations of financial statements as well as management examinations and other attest functions related to financial statements.

Our firm's owners have over 96 combined years of auditing and consulting experience and our unique specialization benefits our clients compared to traditional CPA firms. All of our efforts are focused on auditing and related matters allowing us to develop an expertise in the areas that matter most to our clients. In this time of constant change, expertise in areas that directly affect governmental entities is a vital necessity in fulfilling your needs.

All of our employees are experienced users of Microsoft and Adobe products and perform our engagements in a paperless environment.

LICENSE TO PRACTICE IN TEXAS

Edgin, Parkman, Fleming & Fleming, PC is a professional corporation registered in the State of Texas, and we are a properly licensed certified public accounting firm. Each Edgin, Parkman, Fleming & Fleming, PC shareholder is a certified public accountant, licensed to practice in Texas under the authority of the Texas State Board of Public Accountancy. Each one of the firm's accountants adheres to the State Board rules of professional responsibility, completing the required continuing professional education program annually, and conforming their conduct to the requirements of other State Board rules. We also adhere to special rules related to generally accepted governmental auditing standards (GAGAS).

PEER REVIEW

At Edgin, Parkman, Fleming & Fleming, PC, we cultivate an unreserved dedication to quality. As such, we participate in the voluntary peer review program of the American Institute of Certified Public Accountants. Our firm is a member of the Private Companies Practice Section of the AICPA Division for Firms. We joined the Section in 2005 and have had four peer reviews since then. A copy of the report on our firm's most recent peer review, which was conducted by Bolinger, Segars,

Gilbert & Moss, L.L.P. of Lubbock, Texas on May 25, 2022 is included in the attachments. The report is a 'pass' report with no letter of comment.

EXPERIENCED DEDICATED SERVICE TEAM

The proposed service team will consist of seasoned professionals who work almost exclusively on governmental and nonprofit engagements and therefore will have the skills, knowledge and experience required to perform the audit. We also strive to maintain stability of our audit teams from year-to-year but have the ability to rotate our staff members if requested.

Michael D. Edgin, CPA is one of our shareholders and will be responsible for directing the overall audit throughout the duration of the engagement as well as for planning, directing, and conducting portions of the audit. All our staff have worked on similar audit engagements, including several different counties, and therefore have experience and knowledge of operations and funding sources similar to your organization. Our firm includes a total of seven CPAs as well as other associates that are in the process of earning their CPA license.

DEPTH OF EXPERIENCE AND RANGE OF SERVICES

The professionals selected to serve you are part of a strong and growing practice serving all types and sizes of governmental organizations. Currently, we serve eighty-six governmental entities including seven counties, fourteen cities, twenty-nine school districts, five education service centers, two councils of government, ten appraisal districts, and various other governmental entities. Edgin, Parkman, Fleming & Fleming, PC provides these clients with a full range of accounting, auditing, single audit, and consulting services. Many of the services we provide to these local governments are very similar to the types of services the County is requesting.

AUDIT SERVICE PLAN

Our audit approach is principally designed to make our audit more efficient and provide a high level of assurance that the financial statements are technically accurate and also to maintain the highest auditing standards despite the increasing complexity of financial systems. Our approach integrates the many facets of audit planning, identifies special audit risks, studies and evaluates internal control, identifies fraud risks, and performs transaction testing and audit sampling. The following highlight elements of our service plan.

- **Audit Planning Programs** focus our efforts on audit matters more important to management by identifying accounting, auditing, and reporting problems and assigning priorities for timing and areas of audit emphasis. An interim planning meeting will be conducted and will include members of our audit team and your personnel responsible for assisting in the engagement.

- **Audit Risk Questionnaire** provides greater assurance of audit effectiveness in high-risk areas. The questionnaire identifies special audit risks and specific weaknesses in controls that may increase the level of ordinary audit risks in particular situations.
- **Walk-Throughs** of significant transaction cycles will be performed to further understand the information obtained and develop a specific audit plan for each area of risk.
- **IDEA Data Analysis Software** provides a unique approach to analyzing information, from reviewing data within vendor master files, duplicate payouts, sampling, hunting for ghost employees, falsifying wage claims, etc.

Other elements of our service plan address different parts of your operations.

Effective and Responsive Service Plan

To be effective and responsive, our service plan is based on a thorough understanding of your operations. We do this by conducting an initial review of your financial operations and controls. This management review helps us determine the best overall approach to serving you and the audit techniques that will be most appropriate for the County's operations. Shortly after our appointment as your auditors, we will complete our detailed time-phased plan for performing the work which meets your deadlines.

Government Audit Programs

Edgin, Parkman, Fleming & Fleming, PC uses specialized government audit programs, both to provide a comprehensive framework for government audits and to fill the specialized needs of our government clients. Our programs specify necessary audit procedures for detail testing and correlate our evaluation of internal control to the results of our audit tests.

Advanced Auditing Techniques

Our computerized auditing techniques increase the efficiency and cost effectiveness of our services. Other advanced computer applications are designed to meet the increasing complexity of our clients' systems and to address key audit issues. Some of these issues include the following:

- **Study and Evaluation of Internal Control** - The evaluation of internal control is designed to identify specific weaknesses in the system so we can concentrate our audit tests on those transactions and/or balances where controls are the weakest. Our approach enables us to:
 - Identify specific types of potential errors in the transactions or balances and the point where the system is weak;

- Determine the effectiveness of the various controls;
 - Extend our audit testing only to those areas where controls are weak;
 - Assist management in implementing corrective procedures;
 - Assess fraud risk.
- **Data Analysis** – IDEA Data Analysis Software will be utilized. Specific areas could include the following depending on risk:
- Accounts Payable – Reviewing the vendor master file, purchasing to payment analysis, validation of vendor payments and searching for duplicate payments.
 - Payroll – Reviewing payroll dollar reasonableness, ghost employees, number and frequency of payrolls, and searching for irregular or unreasonable payments.
- **Audit Sampling** - Statistical parameters are essential for exercising rigid control over the quantity and scope of audit tests. Unlike traditional judgment samples where sample reliability tends to vary from application to application, our sampling plan is based on predetermined reliability and precision levels. Therefore, the sample size is directly proportionate to the materiality of individual items and degree of internal control. IDEA Data Analysis Software will be used to generate statistical valid samples.

OTHER SERVICES

In addition to providing traditional accounting and auditing services, Edgin, Parkman, Fleming & Fleming, PC provides a wide range of other consulting services that can benefit the County both now and in the years to come. Some of the financial and consulting services that may be of interest to the County are outlined in this section.

- **GFOA Certificate of Achievement** - Edgin, Parkman, Fleming & Fleming, PC is committed to the financial reporting goals of the GFOA and possess the expertise and experience necessary to assist the County in obtaining the certificate. One of our owners also serves on the GFOA's Special Review Committee and another has previously served on the Committee.

With the assistance of Edgin, Parkman, Fleming & Fleming, PC, the following clients received the GFOA Certificate of Achievement: Panhandle Regional Planning Commission, the City of Wichita Falls, Texas, City of Jacksboro, Texas, Red River Authority of Texas, Region 10 Education Service Center, and Wylie Independent School District.

- **Single Audit** - Edgin, Parkman, Fleming & Fleming, PC single audit services are designed to enable state and local government agencies to comply with the Single Audit Act Amendment of 1996, OMB Uniform Guidance, and the Texas Single Audit Circular. Proven audit methodology and reporting techniques are used to satisfy the requirements of all federal and state grantor agencies and departments. Our owners have performed single audits on numerous entities.

Benefits of our services include elimination of duplicate effort in satisfying all federal and state audit requirements; identification of means of improving internal control; and reduction of the risk of losing federal or state awards through noncompliance with laws, regulations, or grant provisions. We are familiar with the requirements of each of the grants that counties normally receive.

- **Management and Operational Reviews** - Typically referred to as a management audit, a management/operational review provides an independent analysis of entity operations and recommendations for streamlining operations, improving programs, and cutting costs. The service focuses on the efficiency and effectiveness of a particular department, division, or function within an entity and an organization and staffing analysis can be included. Recent management audits conducted by Edgin, Parkman, Fleming & Fleming, PC have included such areas as transportation, food service, maintenance, and custodial services.



ADDITIONAL INFORMATION

INDEPENDENCE

Edgin, Parkman, Fleming & Fleming, PC meets the independence requirements of Auditing Standards Generally Accepted in the United States of America and the latest revision of *Government Auditing Standards* issued by the U.S. General Accounting Office. We will take all necessary steps to ensure that all of our professional staff meets all independence standards. At the time of this proposal, we are not aware of any potential conflicts of interest. The firm, nor the audit team, will have any direct or indirect financial interest or relationship with any employees of the County or any of members of governance.

PROFESSIONAL INTEGRITY

The professional reputation of independent public accountants is a matter of importance both to us and our clients. In this respect, Edgin, Parkman, Fleming & Fleming, PC is particularly proud of our reputation for quality service and professional integrity.

Edgin, Parkman, Fleming & Fleming, PC, nor any of its shareholders, certified public accountants or other staff, are not currently, nor have they ever been, under the terms of a public or private reprimand by the Texas State Board of Accountancy, other licensing boards of other states or any other regulatory body.

GOVERNMENTAL AUDIT QUALITY CENTER

As discussed previously, we are dedicated to providing quality service to our clients. As such, we participate in the voluntary Governmental Audit Quality Center (Center) of the AICPA. As members of the Center, we have made the voluntary decision to set ourselves apart from other firms by committing to provide quality audits to our governmental clients. Only firms who meet the high standards of the Center are eligible for membership.

OTHER AFFIRMATIONS

Our firm does not have a record of substandard work. We meet all specific requirements imposed on us by state or local law or rules and regulations. We follow the American Institute of Certified Public Accountants Code of Professional Conduct which includes "Interpretation 501-3, Failure to Follow Standards and/or Procedures or other Requirements in Governmental Audits". We will follow the requirements of GASB 34 in preparation of the financial statements for which we have an abundance of experience. Our Firm, nor any of our employees, have ever been, and are not currently debarred, from performing services by the U.S. Government or the State of Texas or any other agency.

REFERENCES

As requested in the Request for Proposal, we have attached 5 references of other counties we serve in the format provided by the City.

WORK PLAN AND COMPENSATION



Our fees are based on varying factors which in part relates to the amount of staff time required at various levels of responsibility, plus actual out-of-pocket expenses. As required in the Request for Proposals, we offer the following estimated staff hours, hourly rates, out-of-pocket expenses, and total estimated fee for the year ended September 30, 2021:

<u>Staff Titles</u>	<u>Estimated Number of Hours</u>	<u>Hourly Rates</u>	<u>Extended Amounts</u>
Shareholder, in-charge	50	\$175	\$8,750
Audit staff	50	125	6,250
Audit staff	50	125	6,250
Audit staff	50	100	5,000
Shareholder, independent reviewer	10	175	1,750
Typist	<u>40</u>	75	<u>3,000</u>
Totals	<u>250</u>		\$31,000
Estimated out-of-pocket costs (mileage)			400
Less discount			(<u>2,900</u>)
Total fee for September 30, 2021 audit			<u>\$28,500</u> +

+ - The total fee excludes any additional time relative to the conversion of the September 30, 2020 amounts to the modified and full accrual basis of accounting including capital assets, judicial receivables, TMRS pension and OPEB liabilities, etc. as the time requirements are not known at this time. Relative to this time, we propose billing the County at \$125 per hour.

We estimate our fees for the subsequent three years to be as follows:

<u>Year Ended</u>	<u>Audit Fee</u>
September 30, 2022	\$30,000
September 30, 2023	\$31,500
September 30, 2024	\$33,000

The fee estimates for all years exclude any time for a state and/or federal Single Audit requirements.

The fee estimates for the years ended September 30, 2022 to 2024 are based on the assumption that there will be no significant changes to the County's operations and there will not be any major changes to accounting and auditing standards. If there are significant changes, EPFF will discuss the fee estimate with the County staff at the appropriate time.

ATTACHMENTS

RPF SIGNATURE PAGE

You must sign below in INK; failure to sign WILL disqualify the offer. All prices must be typewritten or written in ink.

Company Name: Edgin, Parkman, Fleming & Fleming, PC

Company Address: P.O. Box 750

City, State, Zip Code: Wichita Falls, Texas 76307-0750

Taxpayer Identification Number (TIN): 20-3899206

Telephone #: 940-766-5550 Fax # 940-766-5778 E-Mail: medgin@epffpc.com

Print Name: Michael D. Edgin Signature:  Date: January 22, 2024

(Your signature attests to your offer to provide the goods and/or services in this proposal according to the published provisions of this Job. When an award letter is issued, it becomes a part of this contract.)

VENDOR REFERENCES
INDEPENDENT AUDIT SERVICES

Please list three (3) references of current customers who can verify the quality of service your company provides. The County prefers customers of similar **size** and scope of the **work** to this proposal. **THIS FORM MUST BE RETURNED WITH YOUR PROPOSAL.**

REFERENCE ONE

Government/Company Name: Archer County, Texas

Address: P.O. Box 16, Archer City, Texas 76351

Contact Person and Title: Paul Wylie, County Auditor

Phone: 940-574-2303 Fax: 940-574-2581

Contract Period: 2022-23 Scope of Work: Financial and Single Audit

REFERENCE TWO

Government/Company Name: Montague County, Texas

Address: P.O. Box 475, Montague, Texas 76251

Contact Person and Title: Jennifer Essary, County Auditor

Phone: 940-894-6090 Fax: 940-894-6110

Contract Period: 2022-23 Scope of Work: Financial and Single Audit

REFERENCE THREE

Government/Company Name: Palo Pinto County, Texas

Address: P.O. Box 369, Palo Pinto, Texas 76484

Contact Person and Title: Melissa Mahan, County Auditor

Phone: 940-659-1276 Fax: 940-637-2452

Contract Period: 2022-23 Scope of Work: Financial and Single Audit

REFERENCE FOUR

Government/Company Name: Wilbarger County, Texas

Address: 1700 Wilbarger, Vernon, Texas 76384

Contact Person and Title: Dian Anzaldua, County Auditor

Phone: 940-553-2308 Fax: 940-553-2320

Contract Period: 2021-22 Scope of Work: Financial Statement Audit

REFERENCE FIVE

Government/Company Name: Young County, Texas

Address: 516 Fourth Street, Graham, Texas 76450

Contact Person and Title: Cheryl Roberts, County Auditor

Phone: 940-549-1786 Fax: 940-549-4266

Contract Period: 2022-23 Scope of Work: Financial and Single Audit

RESIDENCE CERTIFICATION

Pursuant to Texas Government Code 2252.001 *et seq.*, as amended, Jack County requests Residence Certification. 2252.001 *et seq.* of the Government Code provides some restrictions on the awarding of a governmental contract; pertinent provisions of 2252.001 are stated below:

"Nonresident bidder" refers to a person who is not a resident

"Resident bidder" refers to a person whose principal place of business is in this state, including a contractor whose ultimate parent company or majority owner has its principal place of business in this state.

I certify that Edgin, Parkman, Fleming & Fleming, PC is a Resident Bidder of
(Company Name)
Texas as defined in Government Code 2252.001

I certify that _____ is a Nonresident Bidder of
(Company Name)
Texas as defined in Government Code 2252.001 and our principal place of business is
located in _____
(City and State)

Michael D. Edgin
Signature of Authorized Company Official

Michael D. Edgin
Printed Name of Authorized Company Official

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

Report on the Firm's System of Quality Control

May 25, 2022

To the Shareholders of
Edgin, Parkman, Fleming & Fleming, PC
and the Texas Society of CPA's Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Edgin, Parkman, Fleming & Fleming, PC (the firm) in effect for the year ended December 31, 2021. 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 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 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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with 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 the system of quality control and the firm's compliance therewith 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.

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 Edgin, Parkman, Fleming & Fleming, PC in effect for the year ended December 31, 2021, 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*. Edgin, Parkman, Fleming & Fleming, PC has received a peer review rating of *pass*.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants