



August 12, 2020

Gregg County, Texas
Attention: Laurie Woloszyn
101 East Methvin, Suite 306
Longview, Texas 75601

Commissioners' Court and Management:

You have requested that we examine the Gregg County, Texas' description of its tax assessment, levy and collection system for processing user entities' transactions throughout the period July 1, 2019 to June 30, 2020 (description) and the suitability of the design and operating effectiveness of controls to achieve the related control objectives stated in the description. We are pleased to confirm our acceptance and our understanding of this examination engagement by means of this letter. Our examination will be conducted with the objective of expressing an opinion as to whether the description is presented fairly, in all material respects, based on the criteria described in Gregg County, Texas' assertion and on the suitability of the design and operating effectiveness of controls to achieve the related control objectives stated in the description.

Service Auditor's Responsibilities

We will conduct our examination in accordance with the attestation standards related to examinations of the American Institute of Certified Public Accountants. An examination-level attestation engagement involves performing procedures to obtain reasonable assurance about whether management's description is fairly presented, in all material respects, based on the criteria described in the Gregg County, Texas' assertion, and the suitability of the design and operating effectiveness of controls to achieve the related control objectives stated in the description. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement or misrepresentation of the description, whether due to fraud or error.

Because of the inherent limitations of an examination, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or misrepresentations may not be detected exists, even though the examination is properly planned and performed in accordance with the attestation standards related to examinations of the American Institute of Certified Public Accountants. However, we will inform you of any material errors or fraud that comes to our attention, unless clearly inconsequential.

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

OFFICE LOCATIONS

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NEW MEXICO | Albuquerque



Management Responsibilities

Our examination will be conducted on the basis that the Gregg County, Texas' management acknowledge and understand that they have responsibility for:

1. Defining the scope of the engagement, including the type of engagement.
2. Determining the type of engagement and the period to be covered by the report (Type 2) or the specified "as of" date of the report (Type 1).
3. Determining whether any services provided to the Gregg County, Texas are likely to be relevant to user entities' internal control over financial reporting and if so, whether these subservice organizations will be included or carved-out of the description.
4. Preparing and presenting the description of the service organization's system, including the completeness, accuracy, and method of presentation of the description and assertion.
5. Providing a written assertion that will be included in, or attached to, management's description of the service organization's system and furnished to user entities.
6. Having a reasonable basis for its assertion.
7. Selecting the criteria to be used and stating them in the assertion.
8. Specifying the control objectives, stating them in the description of the service organization's system, and, if the control objectives are specified by law, regulation, or another party (for example, a user group or a professional body), identifying in the description the party specifying the control objectives.
9. Identifying the risks that threaten the achievement of the control objectives.
10. Designing, implementing, maintaining, and documenting controls that are suitably designed and operating effectively to provide reasonable assurance that the control objectives stated in the description of the service organization's system will be achieved.
11. Providing us with the following:
 - a. Access to all information relevant (such as records, documentation, service level agreements, internal audit or other reports that management is aware of) to the description of the service organization's system and accompanying assertion.
 - b. Any additional relevant information that we may request.
 - c. Unrestricted access to personnel within the service organization from whom we determine it is necessary to obtain evidence relevant to the engagement.
 - d. Written representations at the conclusion of the engagement.

12. Disclosing to us any:

- a. Incidents of noncompliance with laws and regulations, fraud, or uncorrected errors attributable to management or other service organization personnel that are clearly not trivial and that may affect one or more user entities and whether such incidents have been communicated appropriately to affected user entities.
- b. Knowledge of any actual, suspected, or alleged intentional acts by management or the service organization's employees that could adversely affect the fairness of the presentation of management's description of the service organization's system or the completeness or achievement of the control objectives stated in the description.
- c. Deficiencies in the design of controls of which it is aware.
- d. Instances in which controls have not operated as described.
- e. Events subsequent to the period covered by management's description of the service organization's system up to the date of the service auditor's report that could have a significant effect on management's assertion.

We understand that you will provide us with the basic information required for our examination and that you are responsible for the accuracy and completeness of that information.

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

Reporting

We will issue a written report upon completion of our examination of management's description and the suitability of the design and operating effectiveness of controls to achieve the related control objectives stated in the description. Our report will be addressed to the Gregg County, Texas. 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.

Other

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

Our firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information



CPAs & Advisors

SYSTEM REVIEW REPORT

October 21, 2016

To the Partners of
Pattillo, Brown & Hill, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Pattillo, Brown & Hill, LLP (the firm) in effect for the year ended May 31, 2016. 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 engagements performed under *Government Auditing Standards*, audits of employee benefit plans, and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of Pattillo, Brown & Hill, LLP in effect for the year ended May 31, 2016, 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*. Pattillo, Brown & Hill, LLP has received a peer review rating of *pass*.

Haddox Reid Eubank Betts P.C.