



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

September 4, 2019

Honorable Judge,
Members of the Commissioners' Court and the
Tax Assessor/Collector of Wise County, Texas
P.O. Box 899
Decatur, TX 76234

We are pleased to confirm our understanding of the services we are to provide for the Wise County Tax Office.

We will examine the County's description of its Agency Fund system for the assessment and billing of taxes, penalties and interest; payment processing; disbursement of collections; safeguarding of collections; and maintenance of taxes receivable throughout the period April 1, 2019 to August 31, 2019, and the suitability of the design and operating effectiveness of the controls included in the description to achieve the related control objectives stated in the description, based on criteria identified in the County's assertion. As part of our examination, we will address the controls designed to meet the specified control objectives, as detailed in Exhibit 1, which collectively form a portion of your description of the Agency Fund system.

The objectives of our examination are to –

- 1) obtain reasonable assurance about whether, in all material respects, based on the criteria identified in the County's assertion –
 - a. management's description of the system fairly presents the Agency Fund system that was designed and implemented throughout the period April 1, 2019 to August 31, 2019.
 - b. the controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period April 1, 2019 to August 31, 2019.
 - c. the controls, which were those necessary to provide reasonable assurance that the control objectives stated in the description were achieved, operated effectively throughout the period April 1, 2019 to August 31, 2019.
- 2) express our opinion in a written report about the matters referred to above.

Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include examining, on a test

basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. We will issue a written report upon completion of our examination. Our report will be addressed to the Honorable Judge and Members of the Commissioners' Court of the County as well as the County Tax Assessor/Collector. 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. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Because of the inherent limitations of an examination engagement, together with the nature and inherent limitations of internal control, an unavoidable risk exists that material misstatements may not be detected, including that controls at a service organization may not be suitably designed or always operate effectively to achieve the control objectives stated in the description of the system or meet the criteria stated in the assertion, even though the examination is properly performed in accordance with the attestation standards. Also, the projection to the future of any evaluation of the fairness of the presentation of the description or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the control objectives stated in the description, based on the criteria in the assertion, is subject to the risks that the system may change or that controls at a service organization may become ineffective.

You understand that our report is intended solely for the use and information of management of the County and others within the organization, user entities to whom you provide services, and their auditors who have a sufficient understanding to consider it, along with the other information, including information about controls implemented by user entities themselves, when assessing the risks of material misstatement of user entities' financial statements. You also understand that the report is not intended to be, and should not be, used by anyone other than these specified parties.

Our engagement will include procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on the criteria in management's assertion, and whether controls are suitably designed and operating effectively to achieve the related control objectives. Our engagement will include procedures to assess the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description. Our procedures will also include testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the description were achieved. We will also evaluate the overall presentation of the description, the suitability of the control objectives stated in the description, and the suitability of the criteria specified in the County's assertion.

We will plan and perform the examination to obtain reasonable assurance about whether the description is free from material misstatement, based on the criteria identified in management's assertion. Because our engagement does not include procedures to perform a detailed examination of all aspects and transactions of the system, there is a risk that certain elements of the description may not be fairly presented and that certain controls may not be suitably designed or operating effectively even though the examination is properly planned and performed in accordance with the attestation standards. In addition, our engagement cannot be relied on to disclose all material errors, known and suspected fraud and noncompliance with laws or

regulations, or internal control deficiencies that may exist. However, if we become aware of known and suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified in the engagement, and uncorrected misstatements that are not clearly trivial and that may affect one or more user entities, we will inform you of such instances. You understand it is your responsibility to communicate with the affected user entities about such instances and to provide us with evidence or support for such communications, unless the occurrence is clearly inconsequential.

You are responsible for providing a written assertion that will accompany the County's description of the Agency Fund system for assessment and billing of taxes, penalties and interest; payment processing; disbursement of collections; safeguarding of collections; and maintenance of taxes receivable and provided to user entities. Failure to provide such an assertion will result in our withdrawal from the engagement. You are also responsible for (1) preparing the description and assertion, including the completeness, accuracy, and method of presentation of the description and assertion; (2) providing the services covered by the description; (3) having a reasonable basis for the assertion; (4) selecting the criteria to be used and specifying them in the assertion; (5) specifying the control objectives and stating them in the description; (6) identifying the risks that threaten the achievement of the control objectives included in the description; and (7) designing, implementing, and documenting controls that are suitably designed and operating effectively to provide reasonable assurance that the control objectives stated in the description will be achieved.

You are also responsible for informing us of any (1) knowledge of any actual, suspected, or alleged fraud 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; (2) instances of noncompliance with laws and regulations or uncorrected misstatements attributable to the service organization that may affect one or more user entities; (3) deficiencies in the design of controls; (4) instances where controls have not operated as described; and (5) events subsequent to the date of the description of the system that could have a significant effect on your assertion.

You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of your description and your assertion; (2) access to additional information that we may request for the purpose of our examination; and (3) unrestricted access to appropriate persons within the entity from whom we determine it necessary to obtain evidence. You also agree to assume all management responsibilities for the drafting of the County's description of the Agency Fund system; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. At the conclusion of the engagement, you agree to provide us with certain written representations in the form of a representation letter. If you do not fulfill these responsibilities, we will communicate in writing that we are unable to satisfactorily complete our examination and must disclaim an opinion or withdraw from the engagement.

Kathy Williams, CPA is the engagement partner and is responsible for supervising the engagement and signing the report.

We expect to begin our examination in September 2019. Our fee for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report reproduction, word processing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel

assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the examination. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Snow Garrett Williams

Snow Garrett Williams

RESPONSE:

This letter correctly sets forth the understanding of Wise County Tax Office.

Management Signature: *[Signature]*

Title: Wise Co. Auditor

Date: 9-26-19

Governance Signature: *[Signature]*

Title: County Judge

Date: 9-24-19

**Wise County Tax Office
Exhibit 1
Control Objectives**

Assessment and Billing of Taxes, Penalties, and Interest

Control Objective 1: Controls provide reasonable assurance that the calculation of ad valorem taxes and billing of taxes, penalties, and interest is accurate and complete.

Payment Processing

Control Objective 2: Controls provide reasonable assurance that ad valorem taxes collected are accurately processed and posted.

Disbursement of Collections

Control Objective 3: Controls provide reasonable assurance that funds collected are disbursed accurately, completely, and securely.

Safeguarding of Collections

Control Objective 4: Controls provide reasonable assurance that ad valorem taxes collected are kept secure.

Maintenance of Taxes Receivable

Control Objective 5: Controls provide reasonable assurance that entity reports are accurate.

General Information Technology

Control Objective 6: Controls provide reasonable assurance that the organizational structure provides an adequate segregation of functions so that no person has incompatible duties that would permit the perpetration and concealment of material errors or irregularities.

Control Objective 7: Controls provide reasonable assurance that security related personnel policies are implemented.

Control Objective 8: Controls provide reasonable assurance that logical access to programs and data files is restricted to properly authorized and appropriate individuals.

Control Objective 9: Controls provide reasonable assurance that data is backed up and stored offsite.

Control Objective 10: Controls provide reasonable assurance that physical access to facilities and computer resources is restricted to authorized individuals based on job responsibilities and computer resources are protected from intentional or unintentional loss or impairment.

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
 2019-538822

Date Filed:
 09/11/2019

Date Acknowledged:
 9-24-19

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Snow Garrett Williams
 Weatherford, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Wise County Tax Office

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

SOCAudit2019
 Service Organization Controls Audit - property tax collections and disbursements.

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is Kathy P. Williams, and my date of birth is 2/24/1967

My address is 1207 Santa Fe Drive Weatherford TX 76086 USA
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Parker County, State of Texas, on the 11 day of Sept., 2019
(month) (year)

Kathy P. Williams
 Signature of authorized agent of contracting business entity
 (Declarant)