

IV.July 14, 1998\*

Discuss and take appropriate action on the Northeast Williamson County Road District # 1, including, but not limited to payment of bills.

No action taken on this agenda item.

V.July 14, 1998\*

Consider authorizing release of lien for any properties in district which have paid assessment in full.

No action taken on this agenda item.

VI.July 14, 1998\*

Consider authorizing County Judge to sign agreement with Patillo, Brown & Hill to conduct an audit of the District to enable possible refinancing in the Southeast Williamson County Road District.

Moved: Commissioner Hays

Seconded: Commissioner Boatright

Motion: To authorize Judge Doerfler to sign agreement with Patillo, Brown & Hill to conduct an audit of the District to enable possible refinancing in the Southeast Williamson County Road District.

Vote: Motion carried 5 - 0

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PATTILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS



June 19, 1998

Southeast Williamson County Road District #1  
350 Discovery Boulevard, Suite 201  
Cedar Park, Texas 78613

Gentlemen:

We are pleased to confirm our understanding of the services we are to provide Southeast Williamson County Road District #1, for the period ended September 30, 1997. We will audit the financial statements of the District, as of and for the period from 1993 inception to September 30, 1997.

The objective of our audit is the expression of an opinion as to whether the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. Our audit will be conducted in accordance with generally accepted auditing standards and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to express an opinion, we may decline to express an opinion or may not issue a report as a result of this engagement.

In planning and performing our audits, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing our opinion on the District's financial statements.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform the governing body of any matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

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Identifying and ensuring that the District complies with laws, regulations, contracts, and agreements is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that a material misstatement may exist and not be detected by us. In addition, an audit is not designed to detect errors, fraud, or other illegal acts that are immaterial to the financial statements. However, we will inform you of any material errors and any fraud that comes to our attention. We will also inform you of any other illegal acts that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Management is responsible for making all financial records and related information available to us. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. That responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting, the selection and application of accounting principles, and the safeguarding of assets.

We understand that your employees will prepare all cash or other confirmations we request and will locate any invoices selected by us for testing.

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Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report production, typing, postage, travel, copies, telephone, etc.). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. We estimate our fee for these services to be approximately \$8,500. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the District 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.

Yours truly,

PATTILLO, BROWN & HILL, L.L.P.



James C. Curry, CPA, CGFM

JCC/dw

**RESPONSE:**

This letter correctly sets forth the understanding of Southeast Williamson County Road District #1.

By: John C. Daerfler

Title: County Judge

Date: 7-14-98

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VII.July 14, 1998\*

Consider clarifying who is delinquent tax attorney for the road districts.

Moved: Commissioner Hays

Seconded: Commissioner Mehevec

Motion: To recommend McCreary Beck as tax attorney for the road districts.

Vote: Motion carried 5 - 0

VIII.July 14, 1998\*

Discuss and take appropriate action regarding assessment on lots in Eagle Ridge, Section 1.

Moved: Judge Doerfler

Seconded: Commissioner Mehevec

Motion: To approve order for Judge Doerfler to sign to clarify the correct lots in Eagle Ridge, Section 1.

Vote: Motion carried 5 - 0

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