



**PROPOSAL FOR PROFESSIONAL SERVICES**

**FOR**

**TITUS COUNTY**

**PROPOSAL  
TITUS COUNTY**

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# HENRY & PETERS, PC

CERTIFIED PUBLIC ACCOUNTANTS

July 8, 2014

Commissioners' Court  
Titus County

We welcome this opportunity to present to you our proposal to provide audit services to Titus County. It will be our goal to develop a positive and responsive relationship with the County while maintaining an objective and independent perspective. Although audits conducted by different firms may comply with professional standards and appear identical in nature, we believe the role served by an independent auditor is more dependent on the unique skills and judgment of the individuals involved than in many other areas of service provided to the County.

Our firm is comprised of individuals with very diverse educational and business backgrounds. Previous work experiences include national accounting firms, the Internal Revenue Service, regional and local accounting firms, and various industry positions. It is our belief that these varied backgrounds and experiences have allowed us to develop a practical and professional approach. Our attention to maintaining the continuity of engagement staff, the practical application of current technology, and open communication are key elements to successful client relationships.

## EXPERIENCE

During more than 85 years of offering public accounting services, Henry & Peters, P.C. has provided a wide range of services to a diverse clientele. The officers and staff have provided professional services to governments and non-profit entities as well as clients in manufacturing, oil and gas production, banking, and various other industries. Currently, our governmental clients include cities, counties, and special use governments.

Henry & Peters, P.C. is a member of the AICPA's Governmental Audit Quality Center. This firm-based voluntary membership center is designed to help CPAs meet the challenges of performing quality audits in this unique and complex area. The Center also offers resources to enhance the quality of a firm's governmental audits.

We are the current auditors for Smith County, the City of Tyler, and the City of Longview, all of which have been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA), and we intend to adhere to the extensive requirements and standards of the GFOA in order to maintain these awards.

## COMMUNICATION

We believe a strong relationship is built and maintained on communication. Often surprises or difficulties can be avoided by open and thorough communication, not only with respect to the progress of the audit, but as issues arise throughout the year.

The following steps will provide a framework to establish an open line of communication:

- Prior to commencing fieldwork, we would like to meet with you and appropriate members of management to better understand your specific concerns and objectives.
- We will strive to provide management with advance notice, in writing, of information and documents we need for the audit.

- By having two senior members of our Firm, Mrs. Broussard and Mr. Westmoreland, directly involved in the engagement, we will have a knowledgeable and familiar resource available to you throughout the year as needs arise.
- During the course of the engagement we will meet with management as the situation warrants, and at the conclusion of the engagement, if appropriate, we will present to you our findings and discuss them with you as appropriate. In connection with the audit, we will provide a management letter containing our comments and recommendations regarding the County's internal control structure and accounting system.

### **APPROACH**

Our approach will be designed to result in the highest quality service at the most reasonable cost. This will be accomplished by:

- Assigning staff with the appropriate level of experience and background to understand your operations. Additionally, we will make every effort to maintain continuity of the team in subsequent years.
- Devoting considerable attention to planning the engagement to meet the specific needs and characteristics of the County.
- Thoroughly analyzing and evaluating the system of internal accounting controls to identify areas where audit efforts should be concentrated.
- Making use of advanced audit tools, such as specialized audit software, where appropriate.

### **COMMITMENT TO OUR PROFESSION**

Henry & Peters, P.C. is committed to providing quality professional services and has committed, among other things, to:

- Adhere to AICPA quality control standards related to accounting and auditing engagements.
- Ensure that each professional staff person participates in at least 120 hours of continuing professional education every three years. Additionally, every two years, professionals assigned to governmental engagements will receive at least 24 hours of government specific continuing professional education and a minimum of 80 hours of accounting and auditing continuing professional education.
- Submit to peer reviews performed by other CPA's who evaluate a firm's quality control policies and procedures for the conducting of its accounting and auditing practice, and perform tests to determine compliance with those procedures. The result is a formal peer review report, which is available to the public. Henry & Peters, P.C. has completed eleven such reviews and received an unqualified report on its system of quality controls each time. We have attached our most recent peer review report.

Although audits conducted by different firms should comply with the requirements of the County and generally accepted auditing standards and thus might appear identical in nature, we believe individual firms can be distinguished by the pertinent, unique skills the accountant can bring to bear upon the engagement to ensure an effective and efficient examination. We believe that because of our experience and commitment to providing quality services, Henry & Peters, P.C. is well qualified to provide the full range of services required by Titus County.

Commissioners' Court  
Titus County  
July 9, 2014  
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**PROFESSIONAL FEES**

We are confident we can perform all required services for a professional fee that will be considered reasonable by you, not only in the first year, but also in the long-term. We are aware of concerns over professional fees and are committed to ensuring that all appropriate actions are taken to maintain our fees at a reasonable level without compromising professional standards and client services.

Section I of the proposal outlines what we believe to be the scope of services requested. Section III provides a detailed estimate of time required to complete the requested engagement as well as the charges by level of professional staff. We do not bill continuing clients for routine telephone calls with management regarding business matters.

**REFERENCES**

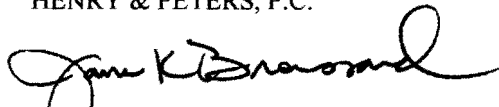
We believe the measure of a firm's competence and quality of services can best be judged by its clients. Following are four of our existing audit clients you may contact regarding our services. We will be happy to provide additional specific references at your request.

Entity	Contact	Address	Telephone
City of Tyler	Keidric Trimble, Finance Director	304 N Border Ave. Tyler, TX 75702	903-531-1142
City of Jacksonville	Freddy Thomas, Finance Director	301 E Commerce St. Jacksonville, TX 75766	903-586-3510
Smith County	Ann Wilson, County Auditor	200 E Ferguson, Ste. 407 Tyler, TX 75702	903-590-4705
Guaranty Bank	Cappy Payne, CFO	100 W. Arkansas, Mt. Pleasant, TX 75455	903-572-9881

It is our hope that this proposal illustrates our ability and commitment to provide quality service on a timely and consistent basis for a fair fee. We sincerely appreciate the opportunity to submit this proposal, and would be happy to discuss it further and answer any questions you might have.

Very truly yours,

HENRY & PETERS, P.C.



Jana K. Broussard  
Certified Public Accountant

## I. GENERAL SCOPE OF SERVICES

### SERVICES INCLUDED IN THIS PROPOSAL

#### AUDIT

We will audit the County's general purpose financial statements for the year ending September 30, 2014 in accordance with generally accepted auditing standards, *Government Auditing Standards* issued by the Comptroller General of the United States, provisions of the federal Single Audit Act Amendments of 1996 and the provisions of the U. S. Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, and issue an Annual Financial Report. The Annual Financial Report will include combining, individual fund, and account group financial statements and schedules, and supplementary schedules of Federal and State financial assistance program expenditures (when applicable). This information will be subjected to the auditing procedures applied in the examination of the general purpose financial statements. Our audit will include such tests of the accounting records and such other auditing procedures as we consider necessary in the circumstances.

The financial statement audit will be conducted to determine whether (1) the financial statements present fairly the financial position, activities, and, where applicable, cash flows in accordance with generally accepted accounting principles, and (2) whether the County has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements. The financial related audit also includes determining (1) whether financial information is presented in accordance with established or stated criteria, and (2) whether the County has adhered to specific financial compliance requirements.

As a part of the audit of the general purpose financial statements, the annual audit will also include obtaining an understanding of the County's internal control structure and reporting any reportable conditions relating to the internal control structure that come to our attention. Our study and evaluation of the internal control structure will include internal accounting and administrative controls of all major federal financial assistance programs determined by the prescribed risk-based approach as stipulated by the Office of Management and Budget Circular A-133. Any material weakness noted during our study and evaluation of internal accounting and administrative controls will be reported.

As part of the audit of the general purpose financial statements, transactions and records pertaining to federal and state programs will be tested for material compliance with federal and state laws, rules and regulations, and all instances of noncompliance will be reported to the County. Our services will also include issuing a management letter, as necessary, oriented to constructive improvements for future operations of the County.

It is our understanding that the County does not anticipate a single audit requirement for the year ending September 30, 2014.

Henry & Peters, P.C. accepts responsibility for ensuring that the audit is conducted by personnel who collectively have the necessary skills, that independence is maintained, that applicable standards are followed in conducting the audit, that the firm has an appropriate internal quality control system in place, and maintains participation in an external quality control review program.

## II. QUALIFICATIONS OF HENRY & PETERS, P.C.

Henry & Peters, P.C., certified public accountants, is one of the oldest local firms of accountants in East Texas, tracing its origin back to 1929. Our firm currently employs 100 people and has in excess of 4,500 individual, business and government clients. The firm provides auditing, tax, and management consulting services to a diverse clientele.

Following is a brief description of the key personnel and their responsibilities on the engagement. Detailed resumes' are appended to this proposal.

Jana K. Broussard, CPA - Mrs. Broussard is an officer in the firm and will serve as engagement partner. As such, she will have ultimate responsibility on all matters relating to the engagement. Mrs. Broussard will review the engagement workpapers and audit report for compliance with Firm and professional standards. Mrs. Broussard currently serves in this same capacity on other engagements performed by our firm, and has more than 30 years of accounting and auditing experience.

Mrs. Broussard is a certified public accountant and a member of the American Institute of Certified Public Accountants, the Texas Society of Certified Public Accountants, and the East Texas Chapter of Certified Public Accountants. She is a graduate of Stephen F. Austin State University and LeTourneau University. Mrs. Broussard is a past President of the East Texas Chapter of Certified Public Accountants and was a member of Leadership Tyler Class 16.

Adrienne A. Deason, CPA - Mrs. Deason is a Senior Manager in the firm and will serve as the reviewing officer. As such, she will review the audit report for compliance with firm and professional standards, and provide technical assistance on the engagement. Mrs. Deason currently serves in this same capacity on other engagements for the firm, and has 14 years of accounting and auditing experience.

Mrs. Deason is a certified public accountant and a member of the American Institute of Certified Public Accountants, the Texas Society of Certified Public Accountants, and the East Texas Chapter of Certified Public Accountants. She is a graduate of the University of Texas at Tyler.

Trent Westmoreland, CPA - Mr. Westmoreland will serve as manager on the engagement. His duties will include implementing the audit approach and program, supervising the field work and preparation of the Annual Financial Report. Mr. Westmoreland currently serves on several other governmental and non-profit engagements in this same capacity, including City of Tyler, City of Jacksonville, and Smith County. Mr. Westmoreland has 7 years of accounting and auditing experience.

Mr. Westmoreland is a certified public accountant and a member of the American Institute of Certified Public Accountants, the Texas Society of Certified Public Accountants, and the East Texas Chapter of Certified Public Accountants. He is a graduate of the University of Texas at Tyler.

All key personnel assigned to this engagement will have met, and will meet on an ongoing basis, the continuing education requirements in compliance with peer review guidelines and federal grant governmental continuing education guidelines.



### III. FEE ESTIMATE

The following represents an estimate of fees for the work specified in the "General Scope of Services" section of this proposal. It includes a discount from our standard billing rates for the timing of the engagement and for the initial start-up time to review the work papers of the previous auditor and other nonrecurring procedures necessary to a new engagement. This start-up time is essential to ensure a smooth transition and an effective audit, and is considered an investment by us in the relationship.

<u>Position</u>	<u>Rate</u>	<u>Hours</u>	<u>Fee</u>
Officer	\$250	20	\$ 5,000
Manager	150	90	13,500
Senior	95	140	13,300
Staff	85	120	<u>10,200</u>
Total			42,000
Less discount			<u>(10,500)</u>
Net fee			<u>\$31,500</u>

This fee is based on anticipated cooperation from your personnel in preparing requests for confirmations of significant balances, pulling selected files, reports and document copies, and responding to our questions. If circumstances arise where it is necessary to extend our procedures and increase our fee, we will first discuss the circumstances with you and obtain your approval.

We do not expect fee increases in future years to exceed annual cost of living increases as reported by national indexes unless there are significant changes in the operations of the County or the required scope of our work, such as the addition of a single audit.

Our invoices for these fees, plus out of pocket travel expenses, will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full.

Under the rules established by the Texas State Board of Public Accountancy, a state agency, certified public accountants are prohibited from making competitive bids. Accordingly, the amount set forth above is only an estimate. However, we know from experience that our rates are comparable to rates charged by other leading accounting firms and that our approach will result in the most efficient use of our resources.

#### IV. TIMING OF ENGAGEMENT

We anticipate the following general schedule for the year ending September 30, 2014:

November 2014	Planning and risk assessment
December 2014	Field work
February 2015	Delivery of preliminary draft of the Annual Financial Report and management letter
March 2015	Delivery of final copies of the Annual Financial Report

**PEER REVIEW**



Certified Public Accountants and Business Advisors

993 North Third Street  
PO Box 2993  
Abilene, Texas 79604-2993  
phone 325-677-6251  
fax 325-677-0006  
www.condley.com

## SYSTEM REVIEW REPORT

November 22, 2013

To the Owners  
Henry & Peters, P.C.  
and the Peer Review Committee of the Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Henry & Peters, P.C. for the year ended June 30, 2013. 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 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](http://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 Henry & Peters, P.C. in effect for the year ended June 30, 2013, 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*. Henry & Peters, P.C. has received a peer review rating of *pass*.

*Condley and Company, L.L.P.*

Condley and Company, L.L.P.

**RESUMES**

# JANA K. BROUSSARD, CPA

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## **Position with Firm**

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Officer/Shareholder

## **Educational Background**

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Bachelor of Business Administration, Magna Cum Laude – Stephen F. Austin State University - 1982  
Master of Business Administration – LeTourneau University - 2000

## **Areas of Practice**

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**Auditing.** Coordinates and manages audits, compilations, reviews and agreed upon procedures for a broad range of clientele, including financial institutions, governmental entities, not-for-profit organizations, manufacturing companies, healthcare organizations, and employee benefit plans.

**Consulting.** Provides assistance to businesses in evaluating acquisitions, developing business and financial plans, reviewing systems of quality and internal controls, developing internal audit programs and risk assessments, and various other business matters.

**Peer Review.** Provides peer review services to other public accounting firms under the AICPA Peer Review Program as administered by the Texas Society of CPAs.

## **Professional Affiliations**

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Mrs. Broussard is a member of the American Institute of Certified Public Accountants (AICPA), the Texas Society of Certified Public Accountants (TSCPA), and the East Texas Chapter of the TSCPA. She is a past president of the East Texas Chapter, a former director of the TSCPA, a qualified peer reviewer for the AICPA, and has served on numerous committees of the TSCPA and the East Texas Chapter.

## **Prior Work Experience**

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Prior to joining Henry & Peters, P.C., Mrs. Broussard served on the audit staff of Peat, Marwick, Mitchell & Co. (now KPMG), an international accounting firm, and worked in financial management positions of financial institutions for fifteen years, including CFO of two publicly traded bank holding companies.

## **Community Involvement**

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Mrs. Broussard is actively involved as a youth leader, committee chair, and in various other activities at Green Acres Baptist Church. She is a frequent speaker on financial management and budgeting procedures, and is a past president of the board of directors of the East Texas Crisis Center. Mrs. Broussard was a member of the 2002 Leadership Tyler and 1992 Leadership Marshall classes, serving as class representative and on the alumni committees, and has worked with numerous other civic and charitable organizations in the East Texas area.

## **Special Training and Honors**

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Mrs. Broussard received extensive training in investments, insurance, sales and management activities, holding Series 7 investment and Group I Life and Health insurance licenses for several years. She is a graduate of the School for Bank Administration and has taught sales management as an adjunct professor for East Texas Baptist University.

Mrs. Broussard was honored with the Young CPA and Outstanding Service Awards by the East Texas Chapter of the Texas Society of Certified Public Accountants.

# ADRIENNE A. DEASON, CPA

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## **Position with Firm**

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Senior Audit Manager

## **Educational Background**

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Bachelor of Business Administration - Accounting – University of Texas at Tyler

## **Areas of Practice**

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**Auditing.** Coordinates and manages assurance and advisory services for governmental entities, non-profit organizations, healthcare providers, manufacturing companies, oil & gas companies, small businesses, and benefit plans.

**Taxation.** Tax reporting and compliance services for individuals, partnerships, corporations, trusts and estates.

## **Professional Affiliations**

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Mrs. Deason is a member of the Texas Society of Certified Public Accountants, East Texas Chapter of Certified Public Accountants and a member of the American Institute of Certified Public Accountants.

## **Community Involvement**

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Mrs. Deason is a graduate of Leadership Longview, a member of the Leadership Longview Alumni Group, an officer of the Zonta Club of Longview and an officer of Pine Tree PTA. In addition, Mrs. Deason has also volunteered on a number of committees organizing events for non-profit organizations and other community events.

# TRENT R. WESTMORELAND, CPA

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## **Position with Firm**

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Manager

## **Educational Background**

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Bachelor of Business Administration – The University of Texas at Tyler - 2008

Master of Business Administration – The University of Texas at Tyler – 2008

## **Areas of Practice**

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**Auditing.** Coordinates and supervises audits, compilations, reviews and agreed-upon procedures for a broad range of clientele, including governments, non-profit organizations, and employee benefit plans.

**Consulting.** Provides assistance to businesses in reviewing systems of internal controls, providing consulting and assistance in the development and implementation of internal control procedures and risk assessment and other business matters.

**Taxation.** Tax planning, reporting and compliance services for individuals, partnerships, corporations, and trusts.

## **Professional Affiliations**

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Mr. Westmoreland is a member of the Texas Society of Certified Public Accountants, East Texas Chapter of Certified Public Accountants and a member of the American Institute of Certified Public Accountants.

## **Prior Work Experience**

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Prior to joining Henry & Peters, P.C. in 2009, Mr. Westmoreland worked for Hugh L. Goodpasture, P.C. in Jacksonville, Texas as a staff accountant for two years.



*Received  
7/19/2014  
J.D. 9:30*

FROM

**Henry & Peters, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS  
3310 SOUTH BROADWAY - SUITE 100  
TYLER, TEXAS 75701

RFP FINANCIAL AUDIT SERVICES

TITUS COUNTY AUDITOR'S OFFICE  
100 WEST FIRST STREET SUITE 202  
MT. PLEASANT, TX 75455

RETURN POSTAGE GUARANTEED

**HENRY & PETERS, PC**  
CERTIFIED PUBLIC ACCOUNTANTS

July 8, 2014

Carl Johnson, Jr.  
Titus County Auditor  
100 West First Street, Suite 202  
Mt. Pleasant, Texas 75455

RE: RFP FINANCIAL AUDIT SERVICES

Dear Mr. Johnson,

In response to your request, we have enclosed our proposals for the annual financial audits of Titus County and the Titus County Juvenile Probation Department for fiscal years 2014, 2015 and 2016. We are confident that Henry & Peters, P.C. has the necessary competence, staffing and commitment to provide all required services within the stated timeframes.

As the engagement partner, the primary contact for this proposal and engagement is:

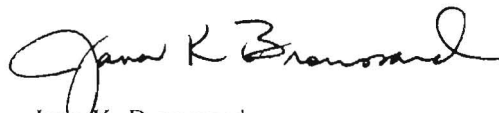
Jana K. Broussard, CPA  
Officer and Shareholder  
Henry & Peters, P.C.  
3310 S. Broadway, Ste. 100  
Tyler, Texas 75701  
(903)597-6311  
[jbroussard@henrypeters.com](mailto:jbroussard@henrypeters.com)

Item 2.06 D. of Section II – Specific Requirements asks us to notify you of any discrepancies between the contract and other documents (i.e., our proposal). In response, please note that NCGA Statement 1 and OMB Circular A-128A (both referenced in Section III, item 3.01) have been superseded by Statements of Governmental Accounting Standards and OMB Circular A-133, respectively. Accordingly, our proposal references the current standards.

We sincerely appreciate the opportunity to present this proposal and would be happy to address any questions or concerns you may have.

Very truly yours,

HENRY & PETERS, P. C.



Jana K. Broussard  
Certified Public Accountant

HENRY & PETERS, PC  
CERTIFIED PUBLIC ACCOUNTANTS

PROPOSAL FOR PROFESSIONAL SERVICES

FOR

TITUS COUNTY

JUVENILE PROBATION DEPARTMENT

**PROPOSAL  
TITUS COUNTY JUVENILE PROBATION DEPARTMENT**

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# HENRY & PETERS, PC

CERTIFIED PUBLIC ACCOUNTANTS

July 8, 2014

Titus County Juvenile Board  
Titus County, Texas

Thank you for this opportunity to present Henry & Peters, P.C.'s credentials to become your independent certified public accountants. We believe that Henry & Peters, P.C. and our engagement personnel have the requisite skills, enthusiastic attitude, and personal commitment to successfully serve you well -- not only now, but also in the years to come.

## SIZE

Henry & Peters, P.C. is large enough to provide, on a timely basis, the full range of services that will be required by the Titus County Juvenile Probation Department. Our firm currently employs 100 people, of which 83 are professional accountants.

## EXPERIENCE

During 85 years of offering public accounting services, Henry & Peters, P.C. has provided a wide range of services to a diverse clientele. The officers and staff have participated in audits of a variety of industries, including governmental and regulated entities. We currently provide service to several governmental entities including Smith County, the City of Tyler and the City of Longview.

## COMMUNICATION

We believe a strong relationship is built and maintained on communication. Often surprises or difficulties can be avoided by open and thorough communication, not only with respect to the progress of the audit, but as issues arise throughout the year.

The following steps will provide a framework to establish an open line of communication:

- Prior to commencing field work, we would like to meet with you to better understand your specific concerns and objectives of the engagement.
- We will strive to provide management with advance notice in writing of information and documents we need for the audit.
- By having two senior members of our firm directly involved in the engagement, we will have a knowledgeable and familiar resource available to you throughout the year as needs arise.
- During the course of the engagement we will meet with management or other designated groups as the situation warrants, and at the conclusion of the engagement we will present to you our findings.

### APPROACH

Our audit approach will be designed to result in the highest quality audit at the most reasonable cost. This will be accomplished by:

- Devoting considerable attention to planning the audit to meet your specific needs and characteristics.
- Thoroughly analyzing and evaluating the system of internal accounting controls to identify areas where audit efforts should be concentrated.
- Making use of advanced audit tools, such as specialized audit software, where appropriate.
- Utilizing the knowledge and experience gained by engagement personnel on previous audits as a basis for subsequent audits.

### COMMITMENT TO OUR PROFESSION

Henry & Peters, P.C. is committed to providing quality accounting and auditing services, and is a member of the AICPA's Government Audit Quality Center (GAQC). A major objective of the GAQC is to enhance the quality of accounting and auditing services provided to governmental entities. By joining the GAQC, Henry & Peters, P.C. has committed, among other things, to:

- Adhere to AICPA quality control standards related to accounting and auditing engagements.
- Ensure that each professional staff person participates in at least 120 hours of continuing professional education every three years.
- Submit to peer reviews performed by other CPAs who evaluate a firm's quality control policies and procedures for the conducting of its accounting and auditing practice and perform tests to determine compliance with those procedures. The result is a formal peer review report, which is available to the public. Henry & Peters, P.C. has completed eleven such reviews and received an unqualified report on its system of quality control each time.

Although audits conducted by different firms should comply with the requirements of the Texas Juvenile Probation Commission and generally accepted auditing standards and thus might appear identical in nature, we believe individual firms can be distinguished by the pertinent, unique skills the accountant can bring to bear upon the engagement to ensure an effective and efficient examination. We believe that because of our experience and our commitment to providing quality services, Henry & Peters, P.C. is well qualified to provide the full range of services needed by the Titus County Juvenile Probation Department.

### TIMING OF ENGAGEMENT

It is our intention to have an initial planning meeting with your staff as soon as possible after we are notified of your acceptance of this proposal. The purpose of this meeting will be to coordinate our efforts and plans with your staff. Based on this planning meeting, dates would be established to begin the fieldwork and to issue the report.

PROFESSIONAL FEES

We are confident we can perform all required services for a professional fee that will be considered reasonable by you, not only in the first year, but also in the long-term. We are aware of concerns over professional fees and are committed to ensuring that all appropriate actions are taken to maintain our fees at a reasonable level without compromising professional standards and client services. Our commitment is genuine, and as part of our commitment to a long-term professional relationship, we will absorb all first year costs incurred in developing and documenting our detailed understanding of your operations, systems and procedures. This work is essential to ensure an effective audit, and as such is considered an investment by us and, following our normal practice, will not be billed.

Our fee estimate for professional services, outlined in Section I, is \$2,550, plus out of pocket expenses. Additional details relating to this fee estimate are set forth in Section III of this proposal.

REFERENCES

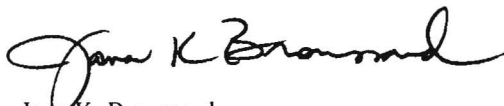
We believe the best measure of a firm's competence and quality of services is its clients. Please feel free to contact any of our clients regarding our qualifications or the quality of our services. We have listed below a current, specific reference for an audit of County Juvenile Services. We will be happy to provide additional references at your request.

Ross Worley, Director                      Smith County Juvenile Department                      (903)535-0850

We sincerely appreciate the opportunity to submit this proposal, and would be happy to discuss it further and answer any questions you might have.

Very truly yours,

HENRY & PETERS, P.C.



Jana K. Broussard  
Certified Public Accountant



## I. GENERAL SCOPE OF SERVICES

### SERVICES INCLUDED IN THIS PROPOSAL

#### AUDIT

We will conduct an audit of the Texas Juvenile Justice Department Grant Funds of Titus County Juvenile Probation Department, as of and for the year ending August 31, 2014, in accordance with U. S. generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States, and accordingly, will include such tests of the accounting records and such other auditing procedures as we consider necessary in the circumstances.

Henry & Peters, P.C. accepts responsibility for ensuring that the audit is conducted by personnel who collectively have the necessary skills, that independence is maintained, that applicable standards are followed in conducting the audit, that the firm has an appropriate internal quality control system in place, and maintains participation in an external quality control review program.

## II. QUALIFICATIONS OF HENRY & PETERS, P.C.

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Following is a brief description of the key personnel and their responsibilities on the engagement. Detailed resumes' are appended to this proposal.

Jana K. Broussard, CPA - Mrs. Broussard is an officer in the firm and will serve as engagement partner. As such, she will have ultimate responsibility on all matters relating to the engagement. Mrs. Broussard will review the engagement workpapers and audit report for compliance with firm and professional standards. Mrs. Broussard serves in this capacity for numerous other similar engagements and has over 30 years of accounting and auditing experience.

Trent Westmoreland, CPA - Mr. Westmoreland will serve as manager on the engagement. His duties will include implementing the audit approach and program, and preparing the report. Mr. Westmoreland currently serves on several other governmental and non-profit engagements in this same capacity, and has 7 years of accounting and auditing experience.

Professional Accountants - While we have not identified specific other personnel to be assigned to this engagement, all of our professional accountants are either CPAs, or in the process of obtaining certification and possess the requisite skills and experience necessary to complete the engagement in an effective manner.

III. TIME AND FEE ESTIMATE

The following represents an estimate of fees for the work specified in the "General Scope of Services" section of this proposal. It does not include initial start-up time to review the workpapers of the previous auditor and other nonrecurring work required on first year audits. This start-up time is essential to ensure a smooth transition and an effective audit. As such, this is an investment by us and, following our normal practice, will not be billed.

Our fee is based on the following rates and estimated hours of professional time as follows:

<u>Position</u>	<u>Rate</u>	<u>Hours</u>	<u>Total</u>
Officer	\$ 250	1	\$ 250
Manager	150	4	600
Staff	85	<u>20</u>	<u>1,700</u>
		25	<u>\$ 2,550</u>

This estimate assumes no significant issues in the performance of the engagement. If circumstances arise where it is necessary to extend our procedures and increase our fees, we will first discuss the circumstances with you and obtain your approval.

We will bill out of pocket expenses for travel at our actual cost. We anticipate that increases in subsequent years' fees will not exceed the cost of living increase of the year as provided by the National Economic Indicators, unless there are significant changes in the structure or audit requirements of the Titus County Juvenile Probation Department.

Under the rules established by the Texas State Board of Public Accountancy, a state agency, certified public accountants are prohibited from making competitive bids. Accordingly, the amount set forth above is only an estimate. However, we know from experience that our rates are comparable to rates charged by other leading accounting firms and that our approach will result in the most efficient use of our resources.

PEER REVIEW

## SYSTEM REVIEW REPORT

November 22, 2013

To the Owners  
Henry & Peters, P.C.  
and the Peer Review Committee of the Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Henry & Peters, P.C. for the year ended June 30, 2013. 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 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](http://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 Henry & Peters, P.C. in effect for the year ended June 30, 2013, 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*. Henry & Peters, P.C. has received a peer review rating of *pass*.

*Condley and Company, L.L.P.*

Condley and Company, L.L.P.

RESUMES

# JANA K. BROUSSARD, CPA

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## **Position with Firm**

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Officer/Shareholder

## **Educational Background**

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Bachelor of Business Administration, Magna Cum Laude – Stephen F. Austin State University - 1982

Master of Business Administration – LeTourneau University - 2000

## **Areas of Practice**

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**Auditing.** Coordinates and manages audits, compilations, reviews and agreed upon procedures for a broad range of clientele, including financial institutions, governmental entities, not-for-profit organizations, manufacturing companies, healthcare organizations, and employee benefit plans.

**Consulting.** Provides assistance to businesses in evaluating acquisitions, developing business and financial plans, reviewing systems of quality and internal controls, developing internal audit programs and risk assessments, and various other business matters.

**Peer Review.** Provides peer review services to other public accounting firms under the AICPA Peer Review Program as administered by the Texas Society of CPAs.

## **Professional Affiliations**

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Mrs. Broussard is a member of the American Institute of Certified Public Accountants (AICPA), the Texas Society of Certified Public Accountants (TSCPA), and the East Texas Chapter of the TSCPA. She is a past president of the East Texas Chapter, a former director of the TSCPA, a qualified peer reviewer for the AICPA, and has served on numerous committees of the TSCPA and the East Texas Chapter.

## **Prior Work Experience**

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Prior to joining Henry & Peters, P.C., Mrs. Broussard served on the audit staff of Peat, Marwick, Mitchell & Co. (now KPMG), an international accounting firm, and worked in financial management positions of financial institutions for fifteen years, including CFO of two publicly traded bank holding companies.

## **Community Involvement**

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Mrs. Broussard is actively involved as a youth leader, committee chair, and in various other activities at Green Acres Baptist Church. She is a frequent speaker on financial management and budgeting procedures, and is a past president of the board of directors of the East Texas Crisis Center. Mrs. Broussard was a member of the 2002 Leadership Tyler and 1992 Leadership Marshall classes, serving as class representative and on the alumni committees, and has worked with numerous other civic and charitable organizations in the East Texas area.

## **Special Training and Honors**

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Mrs. Broussard received extensive training in investments, insurance, sales and management activities, holding Series 7 investment and Group I Life and Health insurance licenses for several years. She is a graduate of the School for Bank Administration and has taught sales management as an adjunct professor for East Texas Baptist University.

Mrs. Broussard was honored with the Young CPA and Outstanding Service Awards by the East Texas Chapter of the Texas Society of Certified Public Accountants.

# TRENT R. WESTMORELAND, CPA

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## **Position with Firm**

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Manager

## **Educational Background**

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Bachelor of Business Administration – The University of Texas at Tyler - 2008

Master of Business Administration – The University of Texas at Tyler – 2008

## **Areas of Practice**

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**Auditing.** Coordinates and supervises audits, compilations, reviews and agreed-upon procedures for a broad range of clientele, including governments, non-profit organizations, and employee benefit plans.

**Consulting.** Provides assistance to businesses in reviewing systems of internal controls, providing consulting and assistance in the development and implementation of internal control procedures and risk assessment and other business matters.

**Taxation.** Tax planning, reporting and compliance services for individuals, partnerships, corporations, and trusts.

## **Professional Affiliations**

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Mr. Westmoreland is a member of the Texas Society of Certified Public Accountants, East Texas Chapter of Certified Public Accountants and a member of the American Institute of Certified Public Accountants.

## **Prior Work Experience**

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Prior to joining Henry & Peters, P.C. in 2009, Mr. Westmoreland worked for Hugh L. Goodpasture, P.C. in Jacksonville, Texas as a staff accountant for two years.