



September 14, 2022

To Board of Directors

Hico Emergency Services District
501 West 1st Street
PO Box 202
Hico, TX 76457

We are pleased to confirm our acceptance and understanding of the services we are to provide for the year ended June 30, 2021.

You have requested that we prepare the statement of cash receipts and disbursements of Hico Emergency Services District for the year ended June 30, 2021, and perform a compilation engagement with respect to this financial statement. This financial statement will not include related notes to the financial statement as required for financial statements in accordance with the cash basis of accounting.

We will assist your bookkeeper in adjusting the books of accounts with the objective that they will be able to prepare a working trial balance from which financial statements can be prepared.

Our Responsibilities

The objective of our engagement is to—

- 1) prepare financial statements in accordance with the cash basis of accounting based on information provided by you, and
- 2) apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with the cash basis of accounting.

We will conduct our compilation engagement in accordance with Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care, when performing the accounting services, preparing the financial statements, and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statement.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing or noncompliance with laws and regulations.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming your responsibilities since performing those procedures or taking such action would impair our independence.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare the financial statement in accordance with the cash basis of accounting and assist you in the presentation of the financial statement in accordance with the cash basis of accounting. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

- 1) The selection of the cash basis of accounting as the financial reporting framework to be applied in the preparation of the financial statement.
- 2) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

- 3) The prevention and detection of fraud.
- 4) Compliance with the laws and regulations applicable to your activities.
- 5) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- 6) To provide us with—
 - access to all information of which you are aware is relevant to the preparation and fair presentation of your personal financial statements, such as records, documentation, and other matters.
 - additional information that we may request from you for the purpose of the compilation engagement.
 - unrestricted access to you when we determine it necessary to make inquiries.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statement and that, accordingly, we do not express an opinion, a conclusion, or provide any assurance on them. There may be circumstances in which the report differs from the expected form and content. If, for any reason, we are unable to complete the compilation of the financial statement, we will not issue a report on such statements as a result of this engagement.

Our report will disclose that the financial statement is prepared in accordance with the cash basis of accounting, which is a basis other than accounting principles generally accepted in the United States of America.

You agree to include our accountant's compilation report in any document containing the financial statement that indicates that we have performed a compilation engagement on such financial statements and, prior to inclusion of the report, to obtain our permission to do so.

Other Relevant Information

Jeremy Shell, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will not exceed \$1,200. The fee estimate is based on anticipated cooperation from you and the assumption that unexpected circumstances will not be encountered during the work performed. 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. Our invoice for these fees is payable on presentation.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from your knowing misrepresentations to us.

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 acknowledge and agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Boucher, Morgan, and Young, a P.C.

This letter correctly sets forth my (our) understanding.

Signature: _____

Date: _____