



August 19, 2025

Hays Consolidated Independent School District
21003 Interstate 35
Kyle, TX 78640

Board of Trustees and Management:

You have requested that we perform an efficiency audit as prescribed by the State of Texas Legislative Budget Board for Hays Consolidated Independent School District (the "District"), by analyzing data from fiscal year ended June 30, 2024 and prior as appropriate. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. The efficiency audit will be conducted with the objective of providing a reasonable basis for our observations and conclusions based on performance audit objectives as prescribed by the State of Texas Legislative Budget Board. The purpose of our efficiency audit is to assess the District's fiscal management, efficiency and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts before an election to adopt a Maintenance and Operations (M&O) property tax rate in accordance with the State of Texas Legislative Budget Board.

Practitioner Responsibilities

We will conduct our engagement in accordance with the performance audit standards in accordance with the attestation standards of *Government Auditing Standards*. A performance audit involves performing procedures to obtain evidence for findings and conclusions that are valid, accurate, appropriate and complete with respect to an efficiency audit as prescribed by the State of Texas Legislative Budget Board. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of mistake or inconsistency of the subject matter, whether due to fraud or error.

Because of the inherent limitations of a performance audit, together with the inherent limitations of internal control, an unavoidable risk exists that a mistake, inconsistency, significant error, or fraud in the evidence supporting the performance audit in accordance with the performance standards. However, we will inform you of any material noncompliance with laws or regulations, uncorrected errors, fraud, and when relevant to the subject matter, internal control deficiencies that come to our attention, unless clearly inconsequential.

Our responsibility is limited to the period covered by our performance audit and does not extend to any other periods.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



Management Responsibilities

Our engagement will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and presentation of the efficiency audit in accordance with (or based on) the State of Texas Legislative Budget Board;
2. For the design, implementation, and maintenance of internal control to prevent, or detect and correct, a mistake and inconsistency due to fraud or error of the data used to analyze to determine findings and conclusions;
3. For selecting and determining the suitability and appropriateness of the criteria upon which the efficiency audit as prescribed by the State of Texas Legislative Budget Board; and
4. To provide us with:
 - (1) Access to all information of which *management* is aware that is relevant to the efficiency audit as prescribed by the State of Texas Legislative Budget Board such as records, documentation, and other matters and that you are responsible for the accuracy and completeness of that information;
 - (2) Additional information that we may request from *management* for the purpose of the efficiency audit; and
 - (3) Unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

We will not assume management responsibilities on behalf of the District. However, we will provide advice and recommendations to assist management of the District in performing its responsibilities.

As part of our efficiency audit process, we will request from management written confirmation concerning representations such as accuracy and completeness of information provided to us in connection with the efficiency audit.

The District's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are as follows:

- We will perform the services in accordance with applicable professional standards, including *Government Auditing Standards* for performance audits.
- This engagement is limited to a performance audit previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

We will issue a written report upon completion of our performance audit of efficiency audit is to assess the District's fiscal management, efficiency and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts before an election to adopt a Maintenance and Operations (M&O) property tax rate in accordance with the State of Texas Legislative Budget Board. Our report will be addressed to the District.

Other

We understand that your employees will prepare and locate any documents or support for any items we request.

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.

Regarding the electronic dissemination of the practitioner's report, including reports published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the subject matter or assertion.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

The timing of our examination will be scheduled for performance and completion as follows:

Plan engagement procedures	August 2025
Perform engagement procedures	August-September 2025
Issue examination report	September 2025

Kent Willis is the engagement partner for the services specified in this letter. His responsibilities include supervising Pattillo, Brown & Hill, LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the attest report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices will be rendered every two weeks and are payable upon presentation. We estimate that our fee for the examination will not exceed \$16,500. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate.

We will maintain the confidentiality of your personal information and will apply procedures to protect against any unauthorized release of your personal information to third parties.

We agree to retain our attest documentation or work papers for a period of five years from the date of our report.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our examination including our respective responsibilities. If you have any questions, please let us know.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Respectfully,
Pattillo, Brown & Hill, L.L.P.

A handwritten signature in black ink that reads "Kent Willis". The signature is written in a cursive, flowing style.

Kent Willis, CPA
Waco, Texas
RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Hays Consolidated Independent School District by:

Name: _____

Title: _____

Date: _____