

October 20, 2014

Dallas County, Texas

411 Elm Street
Dallas, Texas 75202

Attention: The Honorable Clay Jenkins, *County Judge*

This letter amends our engagement letter dated September 18, 2011, confirming our understanding to provide professional audit services to Dallas County, Texas (the "County") by substituting the attached Appendix I for the Appendix I originally attached to our engagement letter.

The attached Appendix I lists the services to be rendered and related fees to provide each specified service for the identified time period. Except as specified in this letter and in the Appendix I attached to this letter, all provisions of the aforementioned engagement letter remain in effect until either County or we terminate this agreement or mutually agree to the modification of its terms.

While our report(s) may be sent to the County electronically for your convenience, only the hard copy report(s) is (are) to be relied upon as our work product.

KPMG uses the services of KPMG controlled entities, KPMG member firms and/or third party service providers to provide professional services and administrative, analytical and clerical support. These parties may have access to certain of your information with the understanding that the confidential information will be maintained under information controls providing equivalent protection as our own. You also understand and agree that KPMG aggregates your information with information from other sources for the purpose of improving audit quality and service, and for use in presentations to clients and non-clients in a form where it is sufficiently de-identified so as not to be attributable to the County or where the County could be identified as a source of the information.

We shall be pleased to discuss this letter with you at any time. For your convenience in confirming these arrangements, we enclose a copy of this letter. Please sign in the space provided and return the copy to us.

Very truly yours,

KPMG LLP

Travis C. Hunter, Jr.
Partner

ACCEPTED:

COUNTY:

BY: Clay Lewis Jenkins
Dallas County Judge

**APPROVED AS TO FORM*:
CRAIG WATKINS
DISTRICT ATTORNEY**

**TERESA GUERRA SNELSON
CHIEF, CIVIL DIVISION**

Chong H. Choe
Assistant District Attorney

***BY LAW, THE DISTRICT ATTORNEY'S OFFICE MAY ONLY ADVISE OR APPROVE CONTRACTS OR LEGAL DOCUMENTS ON BEHALF OF ITS CLIENTS. IT MAY NOT ADVISE OR APPROVE A LEASE, CONTRACT, OR LEGAL DOCUMENT ON BEHALF OF OTHER PARTIES. OUR REVIEW OF THIS DOCUMENT WAS CONDUCTED SOLELY FROM THE LEGAL PERSPECTIVE OF OUR CLIENT. OUR APPROVAL OF THIS DOCUMENT WAS OFFERED SOLELY FOR THE BENEFIT OF OUR CLIENT. OTHER PARTIES SHOULD NOT RELY ON THIS APPROVAL, AND SHOULD SEEK REVIEW AND APPROVAL BY THEIR OWN RESPECTIVE ATTORNEY(S).**

Fees for Services

Based upon our discussions with and representations of Management, our fees for services we will perform are estimated as follows:

Financial statement audit for Dallas County including CAFR and management letters (including compliance related to the Public Funds Investment Act). The financial statement audit will be in accordance with Generally Accepted Auditing Standards.

\$ 143,693**

Other Reports:

The reports that we will issue as part of this engagement are as follows:

<u>Report</u>	<u>Fee</u>
Reports issued in connection with OMB Circular A-133 and UGMS REAC Submission	***\$114,975 \$1,635

***The estimate for the A-133 audit is based on 6 major programs in the current year and allowing an increase (based on required Federal and State thresholds) of up to four (4) additional programs at \$17,500 per program. The services will be completed and the report issued no later than April 30, 2015.

** KPMG notes that additional risk management procedures will be performed due to the recent allegations related to elected officials. This work will be billed at a rate of \$140 per hour and a detail of the hours will be provided to you prior to billing. We estimate that this work will be approximately 75-100 hours. However, should that estimate change, we will let management know as soon as reasonably possible.

The above estimates are based on the level of experience of the individuals who will perform the services. Circumstances encountered during the performance of these services that warrant additional time or expense could cause us to be unable to deliver them within the above estimates. We will endeavor to notify you of any such circumstances as they are assessed.

Where KPMG is reimbursed for expenses, it is KPMG's policy to bill clients the amount incurred at the time the good or service is purchased. If KPMG subsequently receives a volume rebate or other incentive payment from a vendor relating to such expenses, KPMG does not credit such payment to the client. Instead, KPMG applies such payments to reduce its overhead costs, which costs are taken into account in determining KPMG's standard billing rates and certain transaction charges which may be charged to clients.