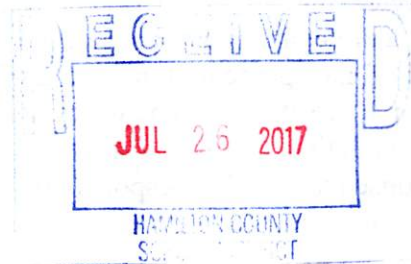


KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

107 2nd Ave S.E.
Jasper, FL 32052

July 21, 2017

Honorable Rex Mitchell
Superintendent of Schools
Hamilton County School District
5683 US Highway 129 S Ste 1
Jasper, FL 32052



Phone 386-792-1906
Fax 386-792-1925
kmdcpa@windstream.net

I am pleased to confirm our understanding of the services that I am to provide to the Hamilton County School District, for the year ended June 30, 2017. I will audit the cash basis financial statements consisting of the combined statement of cash balances, the combining statement of cash balances, and individual school statements of cash balances of the Hamilton County School District's Internal Funds, as of and for the year ended June 30, 2017.

Audit Objective

The objective of my audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with the cash basis of accounting. My audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures I consider necessary to enable me to express such an opinion. I will issue a written report upon completion of my audit of the Hamilton County School District's Internal Funds financial statements. My report will be addressed to the Superintendent of Schools. I cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for me to modify my opinion or add emphasis-of-matter or other-matter paragraphs. If my opinion on the financial statements is other than unmodified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or are unable to form or have not formed an opinion, I may decline to express an opinion or may withdraw from this engagement.

Audit Procedures-General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, I will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. My responsibility as auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as auditor.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of equipment purchased, and direct confirmation of certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. At the conclusion of my audit, I will also require certain written representations from you about the financial statements and related matters.

Audit Procedures-Internal Controls

My audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures-Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform tests of the Hamilton County School District's Internal Fund's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of my audit will not be to provide an opinion on overall compliance and I will not express such an opinion.

Other Services

I will also prepare the financial statements of Hamilton County School District's Internal Funds in conformity with cash basis of accounting based on information provided by the School District. I will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. I, in my sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for

the fair presentation in the financial statements of the respective cash basis statements in conformity with the cash basis of accounting.

Management is also responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. You are also responsible for providing me with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that I may request for the purpose of the audit, and (3) unrestricted access to persons within the School District from whom I determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to me in the representation letter that the effects of any uncorrected misstatements, if applicable, aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud affecting the Hamilton County School District's Internal Funds and supplementary information involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the Hamilton County School District's Internal Funds and supplementary information received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You agree to assume all management responsibilities for financial statement preparation services and other nonattest services I provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

I understand that your employees will prepare all confirmations I request and will locate any documents selected by me for testing.

The audit documentation for this engagement is the property of Kenneth M Daniels CPA and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Florida Auditor General or its designee. I will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Kenneth M Daniels CPA personnel. Furthermore, upon request, I may provide copies of selected audit documentation to the Florida Auditor General or its designee. The Florida Auditor General or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

I expect to begin my audit on approximately September 5, 2017, and to issue my report no later than October 31, 2017. My fee for these services will be \$6,000. Kenneth M Daniels is the engagement partner and is responsible for supervising the engagement and signing it. If I elect to terminate my services, my engagement will be deemed to have been completed. You will be obligated to compensate me for all the time expended and to reimburse me for all out-of-pocket costs through the date of termination, however, in an amount not to exceed the above fee. The above fees are 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, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs.

My 2015 peer review report is currently available at www.kendanielscpa.com.

I appreciate the opportunity to be of service to the Hamilton County School District, and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let me know. If you agree with the terms of my engagement as described in this letter, please sign, make a copy for your records, and return the original to me.

Very truly yours,



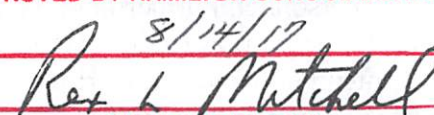
Kenneth M. Daniels
Certified Public Accountant

RESPONSE:

This letter correctly sets forth the understanding of the Hamilton County School District.

By: 
Rex Mitchell, Superintendent of Schools

APPROVED BY HAMILTON SCHOOL BOARD

ON 8/14/17

SUPERINTENDENT

STANDARD FORM TO CONFIRM ACCOUNT BALANCE INFORMATION WITH FINANCIAL INSTITUTIONS

ORIGINAL
To be mailed to accountant

Hamilton County School Board

CUSTOMER NAME

We have provided to our accountants the following information as of the close of business on June 30, 2017, regarding our deposit and loan balances. Please confirm the accuracy of the information, noting any exceptions to the information provided. If the balances have been left blank, please complete this form by furnishing the balance in the appropriate space below.* Although we do not request nor expect you to conduct a comprehensive, detailed search of your records, if during the process of completing this confirmation additional information about other deposit and loan accounts we may have with you comes to your attention, please include such information below. Please use the enclosed envelope to return the form directly to our accountants.

Financial Institution's Name and Address [First Federal Bank of FL
PO Drawer Q
Live Oak, FL 32064]

1. At the close of business on the date listed above, our records indicated the following deposit balance(s):

ACCOUNT NAME	ACCOUNT NO.	INTEREST RATE	BALANCE*
CHE Checking	1778466		

2. We were directly liable to the financial institution for loans at the close of business on the date listed above as follows:

ACCOUNT NO./ DESCRIPTION	BALANCE*	DATE DUE	INTEREST RATE	DATE THROUGH WHICH INTEREST IS PAID	DESCRIPTION OF COLLATERAL

Rex L Mitchell
(Customer's Authorized Signature)

8/14/17
(Date)

The information presented above by the customer is in agreement with our records. Although we have not conducted a comprehensive, detailed search of our records, no other deposit or loan accounts have come to our attention except as noted below.

(Financial Institution Authorized Signature)

(Date)

(Title)

EXCEPTIONS AND/OR COMMENTS

Please return this form directly to our accountants:

[Kenneth M Daniels CPA
107 2nd Ave SE
Jasper, FL 32052]

* Ordinarily, balances are intentionally left blank if they are not available at the time the form is prepared.

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Live Oak, FL 32064]

1. At the close of business on the date listed above, our records indicated the following deposit balance(s):

ACCOUNT NAME	ACCOUNT NO.	INTEREST RATE	BALANCE*
HCHS Checking	1574113		

2. We were directly liable to the financial institution for loans at the close of business on the date listed above as follows:

ACCOUNT NO./ DESCRIPTION	BALANCE*	DATE DUE	INTEREST RATE	DATE THROUGH WHICH INTEREST IS PAID	DESCRIPTION OF COLLATERAL

Rex L. Mitchell
(Customer's Authorized Signature)

8/14/17
(Date)

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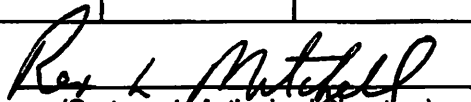
Financial Institution's Name and Address [First Federal Bank of FL
PO Drawer Q
Live Oak, FL 32064]

1. At the close of business on the date listed above, our records indicated the following deposit balance(s):

ACCOUNT NAME	ACCOUNT NO.	INTEREST RATE	BALANCE*
NHE Checking	1097198		

2. We were directly liable to the financial institution for loans at the close of business on the date listed above as follows:

ACCOUNT NO./ DESCRIPTION	BALANCE*	DATE DUE	INTEREST RATE	DATE THROUGH WHICH INTEREST IS PAID	DESCRIPTION OF COLLATERAL


(Customer's Authorized Signature)

(Date)

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Financial Institution's Name and Address [First Federal Bank of FL
PO Drawer Q
Live Oak, FL 32064]

1. At the close of business on the date listed above, our records indicated the following deposit balance(s):

ACCOUNT NAME	ACCOUNT NO.	INTEREST RATE	BALANCE*
SHE Checking	6257		

2. We were directly liable to the financial institution for loans at the close of business on the date listed above as follows:

ACCOUNT NO./ DESCRIPTION	BALANCE*	DATE DUE	INTEREST RATE	DATE THROUGH WHICH INTEREST IS PAID	DESCRIPTION OF COLLATERAL

Rex L Mitchell

(Customer's Authorized Signature)

(Date)

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