



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

**MANAGEMENT LETTER**

January 26, 2016

Juvenile Probation Board of  
Jack and Wise Counties, Texas  
Decatur, Texas

In connection with our audit of the financial statements of the Texas Juvenile Justice Department Grant Funds of Jack and Wise Counties, Texas (a Special Revenue Fund of Wise County, Texas) for the year ended August 31, 2015, we have made a review of the accounting procedures and internal controls. While the primary objective of such a review is to afford us a basis of determining the scope of our audit procedures, it nevertheless presents us with an opportunity to submit, for management's consideration, suggestions for changes in procedures which, in our opinion, could strengthen internal control or contribute to the improvement of operating efficiency.

The comments in this letter are based upon observations made in the course of such a review. The review was not designed for the purpose of expressing an opinion on internal control, and it would not necessarily disclose all weaknesses in the system. The matters discussed herein were considered during our audit of the above-mentioned financial statements, and they did not modify the opinion expressed in our report on those financial statements. However, we offer for your review, the comments as noted on the following page.

We have discussed the following comments in detail with the appropriate staff of the County to insure understanding of the comments and implementation of recommendations. If you have any questions regarding these or any other matters, please feel free to contact us.

This letter is intended solely for the information and use of management of the Texas Juvenile Justice Department Grant Funds of Jack and Wise Counties and is not intended to be and should not be used by anyone other than these specified parties.

Finally, we take this opportunity to thank you and your staff for your courtesy and cooperation during our audit. Thank you for your business.

Sincerely yours,

*Snow Garrett Williams*

Snow Garrett Williams  
Certified Public Accountants

## **CURRENT YEAR COMMENTS**

### **Budget Variances**

**Comment:** In our review and analysis of the Department's financial statements, we noticed a negative budget variance in salaries for State Aid Grant A.

**Recommendation:** We suggest that the Juvenile Probation Department of Jack and Wise Counties continue to monitor its budget throughout the year and amend it as necessary.

## **FOLLOW UP ON PRIOR YEAR COMMENTS**

### **Quarterly State Reporting**

**Comment:** The Texas Juvenile Justice Department revised its reporting requirements for fiscal year 2014 and included new categories for expenditure reporting. These changes resulted in the Department making amendments in February 2015 to budget and actual amounts reported on the quarterly expenditure reports submitted to the State for the fiscal year ended August 31, 2014.

**Follow Up and Recommendation:** We commend the Juvenile Probation Department of Jack and Wise Counties for developing and implementing stronger internal controls over financial reporting to ensure that expenditures are recorded and reported timely in the correct categories on quarterly expenditure reports submitted to the State. We suggest that the Department continue preparing and submitting budget amendments timely to the State.

## **OBJECTIVE OF INTERNAL CONTROL**

The objective of internal control is to provide reasonable, but not absolute, assurance that the Department's assets will be safeguarded against loss from unauthorized use or disposition, and that the reliability of financial records for preparing financial statements and maintaining accountability for assets will be preserved. The concept of reasonable assurance recognizes that the cost of a system of internal control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Control procedures whose effectiveness depends upon the segregation of duties can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projections of any evaluation of the internal control over financial reporting to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

January 26, 2016

To the Juvenile Probation Board of  
Jack and Wise Counties, Texas

We have audited the financial statements of the Juvenile Probation Department of Jack and Wise Counties, Texas (a Special Revenue Fund of Wise County, Texas) for the year ended August 31, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated May 26, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Juvenile Probation Department of Jack and Wise Counties are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the Department during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements, if any. In addition, none of the misstatements detected as a result of audit procedures, if any, and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 26, 2016.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Department's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Department's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on supplementary information, which accompanies the financial statements. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the basis of accounting used for reporting to the Texas Juvenile Justice Department, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board and management of the Juvenile Probation Department of Jack and Wise Counties and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Snow Garrett Williams*

Snow Garrett Williams

**TEXAS JUVENILE JUSTICE DEPARTMENT  
GRANT FUNDS OF JACK AND WISE COUNTIES,  
TEXAS  
(A SPECIAL REVENUE FUND OF WISE COUNTY, TEXAS)**

**ANNUAL AUDIT**

**AUGUST 31, 2015**

**Texas Juvenile Justice Department Grant Funds  
of Jack and Wise Counties, Texas  
(A Special Revenue Fund of Wise County, Texas)  
Annual Financial Report  
For the Fiscal Year Ended August 31, 2015**

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**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

Juvenile Probation Board of  
Jack and Wise Counties, Texas  
Decatur, Texas

We have audited the accompanying financial statements of the Texas Juvenile Justice Department Grant Funds of Jack and Wise Counties, Texas (a Special Revenue Fund of Wise County, Texas), which comprise the combined balance sheet as of August 31, 2015 and the combined statement of revenues, expenditures and changes in fund balance - budget and actual - regulatory basis for the year ended August 31, 2015 and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Texas Juvenile Justice Department. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Texas Juvenile Justice Department Grant Funds  
Of Jack and Wise Counties, Texas

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Texas Juvenile Justice Department Grant Funds of Jack and Wise Counties, Texas (a Special Revenue Fund of Wise County, Texas) as of August 31, 2015, and the revenue earned and expenditures incurred compared to the budgeted revenues and expenditures of the Department's Texas Juvenile Justice Department Grant Funds for the year ended August 31, 2015, in accordance with the financial reporting provisions of the Texas Juvenile Justice Department as described in Note 1.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of financial reporting provisions of the Texas Juvenile Justice Department, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Texas Juvenile Justice Department. Our opinion is not modified with respect to that matter.

**Emphasis of Matter**

As discussed in Note 1, the combined financial statements present the results of operations of the Department's Texas Juvenile Justice Department Grant Funds only and are not intended to present fairly the results of operations of Wise County in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the accompanying financial statements of the Texas Juvenile Justice Department Grant Funds of Jack and Wise Counties, Texas (a Special Revenue Fund of Wise County, Texas) as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Texas Juvenile Justice Department Grant Funds  
Of Jack and Wise Counties, Texas

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2016, on our consideration of the Texas Juvenile Justice Department Grant Funds of Jack and Wise Counties, Texas' internal control over financial reporting and on our tests of its compliance with certain laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Juvenile Probation Department of Jack and Wise Counties, Texas' internal control over financial reporting and compliance.

**Restriction of Use**

This report is intended solely for the information and use of management of the Juvenile Probation Board of Jack and Wise Counties, Texas and the Texas Juvenile Justice Department and is not intended to be and should not be used by anyone other than these specified parties.

*Snow Garrett Williams*

Snow Garrett Williams  
January 26, 2016

# **FINANCIAL STATEMENTS**

**Texas Juvenile Justice Department Grant Funds  
of Jack and Wise Counties, Texas  
(A Special Revenue Fund of Wise County, Texas)  
Combined Balance Sheet - Regulatory Basis  
August 31, 2015**

<u>Assets</u>	<u>2015</u>
Cash and Investments	\$ 400,941
Other Receivables	<u>27</u>
<b>Total Assets</b>	<b><u>\$ 400,968</u></b>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Accounts Payable	\$ 5,707
Accrued Wages	<u>19,018</u>
Total Liabilities	24,725
Fund Balance	<u>376,243</u>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 400,968</u></b>

**Texas Juvenile Justice Department Grant Funds  
of Jack and Wise Counties, Texas  
(A Special Revenue Fund of Wise County, Texas)  
Combined Statement of Revenues, Expenditures and  
Changes in Fund Balance -  
Budget and Actual - Regulatory Basis  
For the Fiscal Year Ended August 31, 2015**

	2015		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
State Aid	\$ 388,446	\$ 388,446	\$ -
Commitment Reduction Program	33,638	33,638	-
Mental Health	29,229	29,229	-
Jack County	30,000	30,000	-
Wise County	250,000	250,000	-
Interest Income	313	312	(1)
<b>Total Revenues</b>	<b>731,626</b>	<b>731,625</b>	<b>(1)</b>
<b>Expenditures:</b>			
Salaries and Fringe Benefits	504,359	505,486	(1,127)
Travel	20,652	20,651	1
Operating Expenditures	14,330	14,329	1
Inter-County Contracts	53,249	53,249	-
External Contracts	164,170	163,042	1,128
<b>Total Expenditures</b>	<b>756,760</b>	<b>756,757</b>	<b>3</b>
Deficiency of Revenues under Expenditures	(25,134)	(25,132)	2
Fund Balance - Beginning of Year	401,375	401,375	-
<b>Fund Balance - End of Year</b>	<b>\$ 376,241</b>	<b>\$ 376,243</b>	<b>\$ 2</b>

# **NOTES TO FINANCIAL STATEMENTS**

**Texas Juvenile Justice Department Grant Funds  
Of Jack and Wise Counties, Texas  
(A Special Revenue Fund of Wise County, Texas)  
Notes to Financial Statements  
August 31, 2015**

**Note 1 – Summary of Significant Accounting Policies**

(a) Financial Reporting Entity

The Texas Juvenile Justice Department Grant Funds of Jack and Wise Counties, Texas (a Special Revenue Fund of Wise County, Texas) were established to account for juvenile probation services funded by the Texas Juvenile Justice Department (TJJD) in Jack and Wise Counties.

The Funds provide separate accountability as required under the State Financial Assistance Contract, by TJJD. The funds are used to account for each separate program, matching funds and all related expenditures incurred.

The Juvenile Probation Department utilizes one fund, a Special Revenue Fund, which is used to account for all financial resources. A fund is described as a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

(b) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The financial statements were prepared in conformity with the accounting practices prescribed by TJJD, which prescribes policies and procedures for county probation departments, which is a comprehensive basis of accounting other than generally accepted accounting principles. These accounting practices include the following:

- (1) The financial statements are reported using the accrual basis of accounting. Revenues are recorded when all eligibility requirements have been met and expenditures are recorded when incurred.
- (2) The accompanying financial statements do not represent financial statements prepared in accordance with provisions for governmental funds as prescribed by the Governmental Accounting Standards Board.
- (3) The accompanying financial statements are prepared in a format to facilitate uniform financial reporting by county probation departments.

(c) Budgeting

Budgets are adopted on the regulatory basis of accounting. The budgeted amounts presented in these statements are as originally adopted, or as amended by, the Juvenile Probation Department of Jack and Wise Counties and submitted to TJJD.

**Texas Juvenile Justice Department Grant Funds  
Of Jack and Wise Counties, Texas  
(A Special Revenue Fund of Wise County, Texas)  
Notes to Financial Statements  
August 31, 2015**

**Note 2 – Reconciliation of Earned Interest**

The following is presented in accordance with Chapter 341 of the Texas Administrative Code Sec. 6(f) relating to *Investment of Idle Funds Requirements* which states that interest accrued on funds received from TJJD should be generated income and should be reported to the Commission as such.

Jack and Wise Counties contributed \$30,000 and \$250,000, respectively. It is deemed that all expenditures are made from State monies first; therefore, there are no idle funds and no accrued interest as of August 31, 2015.

**Note 3 – Operating Cost for a Secure Juvenile Facility Operated by the Department**

The Juvenile Probation Department of Jack and Wise Counties does not operate a secure juvenile facility.

**Note 4 – Federal Financial Assistance**

TJJD administers along with the Texas Department of Family and Protective Services, the Title IV-E Foster Care Program (CFDA 93.658). TJJD disburses funds to the Juvenile Probation Department of Jack and Wise Counties on a cost reimbursement basis. A confirmation of revenue receipted in the year ending August 31, 2015 is required and presented below. This includes receipts for direct and enhanced administrative foster care claims.

The Juvenile Probation Department of Jack and Wise Counties did not receive or expend Title IV-E funds in fiscal year 2015.

**Note 5 – Financial Match Requirements**

To receive Texas Juvenile Justice Department state funds, the juvenile probation departments are required to certify that the amount of local or county funds expended for juvenile services is at least equal to or greater than the amount spent in the 2006 county fiscal year excluding construction and capital outlay expenses. A confirmation of local funds for the year ending August 31, 2015 is required and presented below:

	<u>Local Funding Expended (less construction and capital outlay)</u>
Fiscal Year 2015	\$305,444
Fiscal Year 2006	\$199,576

The Department certified the financial match requirements were fulfilled in fiscal year 2015.

**Note 6 – State Financial Assistance**

The Department did not receive funds for the JJAEP Juvenile Reimbursement Grant for fiscal year 2015. The Department's Grant A State Assistance Grant was approved to be used in one fiscal year.

**Texas Juvenile Justice Department Grant Funds  
Of Jack and Wise Counties, Texas  
(A Special Revenue Fund of Wise County, Texas)  
Notes to Financial Statements  
August 31, 2015**

**Note 7 – Deposits, Securities and Investments**

The Department's deposits were held by the First Financial Bank at August 31, 2015. The Department's cash is required to be deposited under the terms of the depository contract of Wise County, Texas. The pledging of securities is maintained at the Wise County level. See the Annual Financial Report for Wise County, Texas for the fiscal year ended September 30, 2015 for more information.

The Department invests its funds according to the Wise County Investment Policy. As of August 31, 2015, the Department had \$200,000 invested in Texas Local Government Investment Pool (TexPool), which is a local government pool, established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. See the Annual Financial Report for Wise County, Texas for the fiscal year ended September 30, 2015 for more information.

**Note 8 – Defined Benefit Pension Plans**

**Plan Description**

The Department through Wise County participates as one of 677 plans in the nontraditional defined benefit pension plan administered by the Texas County and District Retirement System (TCDRS). TCDRS was created by the Texas Legislature and is overseen by an independent Board of Trustees, which is responsible for the administration of the System. TCDRS is a statewide, agent multiple-employer, public employee retirement system for county and district employees in the State of Texas. The TCDRS Act places the general administration and management of the System with a nine-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TCDRS is not fiscally dependent on the State of Texas. TCDRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code.

All employees (except temporary staff) of the Department are required to participate in TCDRS.

TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available at [www.tcdrs.org](http://www.tcdrs.org).

**Benefits Provided**

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the Wise County Commissioners' Court, within the options available in the state statutes governing TCDRS. Plan provisions for Wise County are as follows:

Employee deposit rate	7.0%
Matching ratio (County to employee)	2.25 to 1
Prior service credit	1.65 to 1
Years required for vesting	8
Service retirement eligibility (expressed as age/years of service)	60/8, 0/20, 75 total age plus service



**Texas Juvenile Justice Department Grant Funds  
Of Jack and Wise Counties, Texas  
(A Special Revenue Fund of Wise County, Texas)  
Notes to Financial Statements  
August 31, 2015**

**Note 8 – Defined Benefit Pension Plans (continued)**

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the employer-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payment options. Wise County has also opted to provide prior service credit which gives employees monetary credit for time worked for an organization before it joined the System.

**Contributions**

The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee compensation, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees. Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Employees for the Department were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Department were 10.69% and 10.57% in calendar years 2014 and 2015, respectively. The Department's and employee's contributions to TCDRS for the year ended August 31, 2015 were \$41,663 and \$28,488, respectively, and were equal to the required contributions.

Additional retirement plan information and details are available in Wise County's annual audit report.

**Note 9 - Postemployment Benefits Other Than Pensions**

**Plan Description:**

The Texas Juvenile Justice Department Grant Funds of Jack and Wise Counties, through Wise County, participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County and District Retirement System (TCDRS). This plan is referred to as the Group Term Life Fund (GTLF). This optional plan provides group term life insurance coverage to current eligible employees and, if elected by employers, to retired employees. The coverage provided to retired employees is a postemployment benefit other than pension benefits (OPEB). Retired employees are insured for \$5,000.

The GTLF is a separate trust administered by TCDRS Board of Trustees. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the GTLF. This report may be obtained by writing to the Texas County and District Retirement System, P.O. Box 2034, Austin, TX 78768-2034, or by calling 800-823-7782. TCDRS' CAFR is also available at [www.tcdrs.org](http://www.tcdrs.org).

**Texas Juvenile Justice Department Grant Funds  
Of Jack and Wise Counties, Texas  
(A Special Revenue Fund of Wise County, Texas)  
Notes to Financial Statements  
August 31, 2015**

**Note 9 - Postemployment Benefits Other Than Pensions (continued)**

**Funding Policy:**

Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. The Department's contributions to the GTLF for the years ended August 31, 2015, 2014, and 2013 were \$1,139, \$1,125, and \$1,048, respectively, which equaled the contractually required contributions each year.

Additional OPEB plan disclosures for Wise County, as a whole, are available in Wise County's annual audit report.

# **SUPPLEMENTAL INFORMATION**

**Texas Juvenile Justice Department Grant Funds  
of Jack and Wise Counties, Texas  
(A Special Revenue Fund of Wise County, Texas)  
Statement of Revenues, Expenditures and  
Changes in Fund Balance by Contract - Budget and Actual - Regulatory Basis  
For the Fiscal Year Ended August 31, 2015**

	Supplemental Information									
	State Aid			Commitment Reduction Program			Mental Health			
	Final Budget	2015 Actual	Variance	Final Budget	2015 Actual	Variance	Final Budget	2015 Actual	Variance	2015 Actual
Revenues:										
TJJD Funds	\$ 388,446	\$ 388,446	-	\$ 33,638	\$ 33,638	-	\$ 29,229	\$ 29,229	-	\$ -
Total Revenues	388,446	388,446	-	33,638	33,638	-	29,229	29,229	-	-
Expenditures:										
Salaries and Fringe Benefits	233,894	235,022	(1,128)	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-
Operating Expenditures	-	-	-	-	-	-	-	-	-	-
Inter-County Contracts	53,249	53,249	-	-	-	-	-	-	-	-
External Contracts	101,303	100,175	1,128	33,638	33,638	-	29,229	29,229	-	-
Total Expenditures	388,446	388,446	-	33,638	33,638	-	29,229	29,229	-	-
Excess of Revenues over Expenditures	-	-	-	-	-	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**OVERALL COMPLIANCE  
AND  
INTERNAL CONTROL SECTION**



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Juvenile Probation Board of  
Jack and Wise Counties, Texas  
Decatur, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Texas Juvenile Justice Department Grant Funds of Jack and Wise Counties, Texas (a Special Revenue Fund of Wise County, Texas) as of and for the year ended August 31, 2015, and the related notes to the financial statements which collectively comprise the Department's financial statements and have issued our report thereon dated January 26, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Texas Juvenile Justice Department Grant Funds of Jack and Wise Counties, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Texas Juvenile Justice Department Grant Funds of Jack and Wise Counties, Texas' (a Special Revenue Fund of Wise County, Texas) financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Texas Juvenile Justice Department Grant Funds  
Of Jack and Wise Counties, Texas

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Snow Garrett Williams*

Snow Garrett Williams  
January 26, 2016

**Texas Juvenile Justice Department Grant Funds  
Of Jack and Wise Counties, Texas  
(A Special Revenue Fund of Wise County, Texas)  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended August 31, 2015**

There were no findings or questioned costs in the current year.



**Texas Juvenile Justice Department Grant Funds  
Of Jack and Wise Counties, Texas  
(A Special Revenue Fund of Wise County, Texas)  
Schedule of Prior Year Findings and Questioned Costs  
For the Fiscal Year Ended August 31, 2015**

There were no findings or questioned costs in the prior year.

