TEXAS JUVENILE JUSTICE DEPARTMENT
GRANT FUNDS OF
JACK AND WISE COUNTIES, TEXAS

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
AUGUST 31, 2023

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

Annual Financial Report

August 31, 2023

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SNOWGARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Texas Juvenile Justice Department Grant Funds of Jack and Wise Counties, Texas (Department) (a Special Revenue Fund of Wise County, Texas), which comprise the combined balance sheet – regulatory basis as of August 31, 2023 and the combined statement of revenues, expenditures and changes in fund balance - budget and actual - regulatory basis for the year ended August 31, 2023 and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Department as of August 31, 2023, and the revenues earned and expenditures incurred compared to budgeted revenues and expenditures for the year then ended, in accordance with the financial reporting provisions of the Texas Juvenile Justice Department (TJJD) as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - 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 TJJD, 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 TJJD. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to that matter.

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Emphasis of Matter – Presentation

As discussed in Note 1, the financial statements of the Department are intended to present the financial position, revenues earned and expenditures incurred, and changes in fund balance budget and actual of only that portion of the governmental activities of the County that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of Wise County, Texas, as of August 31, 2023 or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the TJJD, and 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the accompanying financial statements as a whole. The accompanying supplementary information, representing the individual grant information, is presented for purposes of additional analysis and is not a required part of the financial statements. Such 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2024, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Department's 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 Department's internal control over financial reporting and compliance.

Restriction of Use

This report is intended solely for the information and use of management, Jack and Wise Counties, Texas, others within the Juvenile Probation Department 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
February 22, 2024

FINANCIAL STATEMENTS

Texas Juvenile Justice Department Grant Funds
of Jack and Wise Counties, Texas
Combined Balance Sheet - Regulatory Basis
August 31, 2023

Assets		
Cash and investments	$	546,010
Due from other governments		76,625
Other Receivables		1,235
Total assets	$	623,870
Liabilities and Fund Balance		
Liabilities		
Accounts payable	$	43,041
Accrued wages		17,068
Total liabilities		60,109
Fund Balance		563,761
Total Liabilities and Fund Balance	$	623,870

The accompanying notes are an integral part of these financial statements.

Texas Juvenile Justice Department Grant Funds
of Jack and Wise Counties, Texas
Combined Statement of Revenues, Expenditures and
Changes in Fund Balance -
Budget and Actual - Regulatory Basis
For the Fiscal Year Ended August 31, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Direct Supervision	$ 161,690	$ 161,690	$ -
Community-Based Program (General)	41,600	41,600	-
Community-Based Program (Mental Health)	25,578	25,578	-
Post-Adjudications (Non-Secure)	118,500	118,500	-
Pre-Adjudication/Detention	50,000	50,000	-
Residential Mental Health Placement	23,500	23,500	-
Risks and Needs Assessment	2,012	2,012	-
Regional Diversion	186,185	186,185	-
Detention Reimbursement	5,400	1,680	(3,720)
Local Revenues:			
Wise County	300,000	300,000	-
Jack County	110,000	110,000	-
Probation Fees	-	5,547	5,547
Child Support	360	360	-
Interest Income	12,376	12,376	-
Miscellaneous	20	-	(20)
Total Revenues	1,037,221	1,039,028	1,807
Expenditures:			
Local Budget	428,156	394,431	33,725
Direct Supervision	161,690	161,690	-
Community-Based Program (General)	41,600	41,600	-
Community-Based Program (Mental Health)	25,578	25,578	-
Post-Adjudications (Non-Secure)	118,500	118,500	-
Pre-Adjudication/Detention	50,000	50,000	-
Residential Mental Health Placement	23,500	23,500	-
Risks and Needs Assessment	2,012	2,012	-
Regional Diversion	186,185	186,185	-
Total Expenditures	1,037,221	1,003,496	33,725
Net Change in Fund Balance	$ -	35,532	$ 35,532
Fund Balance - Beginning of Year		528,229	
Fund Balance - End of Year		$ 563,761	

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

Texas Juvenile Justice Department Grant Funds
Of Jack and Wise Counties, Texas
Notes to Financial Statements
August 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Texas Juvenile Justice Department Grant Funds of Jack and Wise Counties, Texas (Department) 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 by TJJD under the State Financial Assistance Contract. The funds are used to account for each separate program, matching funds and all related expenditures incurred.

The financial statements are presented in accordance with the financial reporting provisions of the Texas Juvenile Justice Department, as described below, and are not intended to present the financial position or changes in financial position of Wise County, Texas. The Department is considered a Special Revenue Fund of Wise County, Texas.

B. Basis of Accounting

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

- 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.
- 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.
- The accompanying financial statements are prepared in a format to facilitate uniform financial reporting by county probation departments.

NOTE 2: RECONCILIATION OF INTEREST EARNED

The Department spends funds received from the State first and uses local or County provided funds for any excess expenditures. Any interest earned is not earned on funds received from TJJD and, therefore, the Department does not have any idle funds or accrued interest as of August 31, 2023. Jack and Wise Counties contributed $110,000 and $300,000, respectively, to the Department in fiscal year 2023 to assist with expenditures that exceeded amounts received from TJJD.

NOTE 3: OPERATING COST FOR A SECURE JUVENILE FACILITY OPERATED BY THE DEPARTMENT

The Department does not operate a secure juvenile facility.

NOTE 4: FEDERAL FINANCIAL ASSISTANCE

The Texas Juvenile Justice Department, along with the Texas Department of Family and Protective Services, administers the Title IV-E Program (ALN 93.658). TJJD disburses funds to the Department on a cost reimbursement basis. The juvenile probation department did not receive any reimbursements for the Title IV-E Program in the year ended August 31, 2023.

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 equal to or greater than the amount spent in the 2006 county fiscal year, excluding construction and capital outlay expenses unless waived in accordance with provisions of the State Financial Assistance Fund grant. A confirmation of local funds for the year ended August 31, 2023, is required and presented below:

	Local Funding Expended (less construction and capital outlay)	
Fiscal year 2023	$	394,431
Fiscal year 2006	$	199,576

The juvenile probation department certified the financial match requirements were fulfilled in fiscal year 2023.

NOTE 6: STATE FINANCIAL ASSISTANCE

The Texas Juvenile Justice Department provided the Counties the following funds for the Grant R – Regional Diversion Alternatives (RDA) Program Reimbursement Grant funds. A confirmation of revenue receipted in the year ended August 31, 2023, is required and presented below:

	Amount Received (Cash Basis) August 31, 2023
Grant R - Regional Diversion Alternatives Contract Number R-2023-249	$ 109,560
Total	$ 109,560
Reconciling Items	
Prior year receivable	$ -
Current year receivable	76,625
Current year revenue (accrual basis)	$ 186,185

The Texas Juvenile Justice Department provided the Counties the following funds for the Grant Detention Reimbursement. A confirmation of revenue receipted in the year ended August 31, 2023, is required and presented below:

	Amount Received (Cash Basis) August 31, 2023
Grant Detention Reimbursement DET-A-2023-01818	$ 1,680
Total	$ 1,680

NOTE 7: SUBSEQUENT EVENTS

The Department has evaluated subsequent events through February 22, 2024, the date the financial statements were available to be issued, and nothing requiring disclosure was noted.

SUPPLEMENTARY INFORMATION

Texas Juvenile Justice Department Grant Funds
of Jack and Wise Counties, Texas
Statement of Revenues, Expenditures and
Changes in Fund Balance by Contract - Budget and Actual - Regulatory Basis
For the Fiscal Year Ended August 31, 2023

	Grant A-2023-249		
	Final Budget	2023 Actual	Variance
Revenues:			
TJJD Funds	$ 422,880	$ 422,880	$ -
Total Revenues	422,880	422,880	-
Expenditures:			
Direct Supervision	161,690	161,690	-
Community-Based Program (General)	41,600	41,600	-
Community-Based Program (Mental Health)	25,578	25,578	
Post-Adjudications (Non-Secure)	118,500	118,500	-
Post-Adjudications (Secure)			
Pre-Adjudication/Detention	50,000	50,000	
Residential Mental Health Placement	23,500	23,500	-
Risks and Needs Assessment	2,012	2,012	-
Total Expenditures	422,880	422,880	-
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements.

OVERALL COMPLIANCE
AND
INTERNAL CONTROL SECTION

SNOWGARRETT 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 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 Juvenile Probation Department (Department) as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated February 22, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements and tests of compliance with provisions of laws, regulations, contracts, and grant agreements, including the specific financial assurances contained in Section VIII.J of the General Grant Requirements, we considered the Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the Department's 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 or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's 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 financial statements. 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*.

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 Department'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 Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Snow Garrett Williams

Snow Garrett Williams
February 22, 2024

Texas Juvenile Justice Department Grant Funds
Of Jack and Wise Counties, Texas
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended August 31, 2023

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

Texas Juvenile Justice Department Grant Funds
Of Jack and Wise Counties, Texas
Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended August 31, 2023

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