

**NOTICE OF MEETING (•) OF THE
COMMISSIONERS COURT OF JACK COUNTY, TEXAS**

• Assistive Listening Devices Available on Request for Use During Court Session

Notice is hereby given that a Meeting of the above named Commissioners Court will be held on **Monday the 2nd day of March, 2015, at 1:30 o'clock p.m.**, in the County Courthouse, Jacksboro, Texas, at which time the following subjects* will be discussed and appropriate action taken, to-wit:

These subjects may or may not be discussed in the order shown. All items listed below as part of the called "Consent Agenda Items" require no deliberation by the Court. Each Court member has the prerogative of removing an item from this agenda so that it may be considered separately.

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_____ O'CLOCK _____ M.

FEB 27 2015

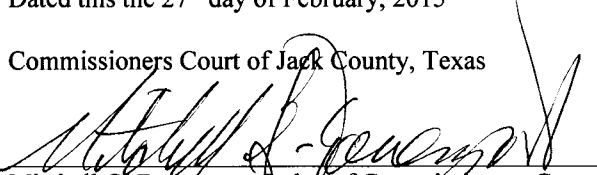
JANICE ROBINSON, County Clerk
JACK COUNTY, TEXAS

BY _____ DEPUTY

1. PUBLIC FORUM (Limited to 5 minutes per person);
2. PAYMENT OF CLAIMS;
3. CONSENT AGENDA ITEMS:
 - (a) Approval of Minutes of Meeting of February 9, 2015;
 - (b) Review and Acceptance of Revised Treasurer's and Auditor's Monthly Report for period ending January 31, 2015;
 - (c) Continued approval of application for Unclaimed Electric Co-op Capital Credits received from State Comptroller and disbursement to CASA (Court Appointed Special Advocates of Wise & Jack Counties for children);
 - (d) Ratification of action previously approved regarding the substitution of securities pledged by County Depository;
 - (e) Authorization of execution of Engagement Letter with Rylander Clay & Opitz, LLP for FY14 (Ending September 30, 2014);
 - (f) Election to participate in the United State of America Vietnam War Commemoration to highlight the service of the Armed Forces during the Vietnam War and the contributions of federal agencies and governmental and non-governmental organizations that served with, or in support of, the Armed Forces;
4. **Timed Agenda: None;**
5. Discussion of Commissioner Precinct Operations;
6. Update on Courthouse Repair Project 2015 details, if any;
7. Update on status of County activities, if any, under the CTIF Grant;
8. Reports, if any, by other Department Heads;
9. Update by County Judge on status of proposed sale by Renee Bates Auctioneers as Surplus Property;
10. Consider adoption of measure for County Employees to participate in the TAC County Wellness Program;
11. Discussion and action on report by Court employee Danny Nash regarding roof drain leak;
12. Determination of which fund in which the Treasurer should credit the TAC property damage loss check;
13. Consider adoption of policy on mandatory direct deposit of payroll checks for county officials and employees;
14. FUTURE AGENDA ITEMS; AND;
15. ADJOURNMENT.

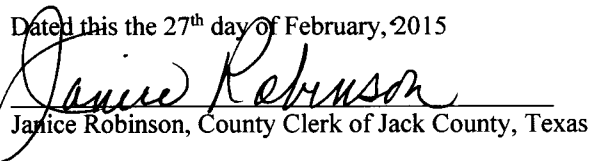
Dated this the 27th day of February, 2015

Commissioners Court of Jack County, Texas


Mitchell G. Davenport, Judge of Commissioners Court

I, the undersigned County Clerk, do hereby certify that the above Notice of Meeting of the above named Commissioners Court, is a true and correct copy of said Notice, and that I posted a true and correct copy of said Notice on the bulletin board at the Courthouse door of Jack County, Texas, at a place readily accessible to the general public at all times on the 27th day of February, 2015, and said Notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Dated this the 27th day of February, 2015


Janice Robinson, County Clerk of Jack County, Texas



MINUTES

On this the 2nd day of March, 2015 the Commissioners Court of Jack County, Texas met in Regular session at 1:45 p.m. with the following elected officials present:

Fearl F. Smith, Commissioner Pct. 1 - ABSENT
James L Brock, Commissioner Pct. 2
James L. Cozart, Commissioner Pct. 3
Terry Ward, Commissioner Pct. 4
Mitchell G. Davenport, County Judge

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MAR 13 2015

JANICE ROBINSON, County Clerk
JACK COUNTY, TEXAS

BY _____ DEPUTY

PUBLIC FORUM

No members of the public were present.

PAYMENT OF ACCOUNTS AND CLAIMS

All accounts and claims were submitted to the Court for approval. Those submitted were approved and entered into the computer of the County Treasurer.

Commissioner Cozart made a motion to pay all bills. Commissioner Brock seconded and the motion carried unanimously.

CONSENT AGENDA ITEMS

- (a) Approval of Minutes of Meeting of February 9, 2015;
- (b) Review and Acceptance of Revised Treasurer's and Auditor's Monthly Report for period ending January 31, 2015;
- (c) Continued approval of application for Unclaimed Electric Co-op Capital Credits received from State Comptroller and disbursement to CASA (Court Appointed Special Advocates) of Wise & Jack Counties for children;
- (d) Ratification of action previously approved regarding the substitution of securities pledged by County Depository;
- (e) Authorization of execution of Engagement Letter with Rylander Clay & Opitz, LLP for FY14 (Ending September 30, 2014);
- (f) Election to participate in the United States of America Vietnam War Commemoration to highlight the service of the Armed Forces during the Vietnam War and the contributions of federal agencies and governmental and non-governmental organizations that served with, or in support of, the Armed Forces;

Judge Davenport made a motion to adopt all of the Consent Agenda items. Commissioner Cozart seconded and the motion carried unanimously.

TIMED AGENDA

NONE

PRECINCT OPERATIONS

Discussion of Commissioner Precinct Operations;

Nothing new to report.

COURTHOUSE REPAIR PROJECT 2015

Update on Courthouse Repair Project 2015 details, if any;

A plumber has been contacted to inspect the Courthouse roof drains.

CTIF GRANT

Update on status of County activities, if any, under the CTIF Grant;

Nothing new to report.

DEPARTMENT HEAD REPORTS

Reports, if any, by other Department Heads;

Nothing new to report.

SURPLUS PROPERTY

Update by County Judge on status of proposed sale by Renee Bates Auctioneers as Surplus Property;

Judge Davenport needs a list from any department that is going to have items for the online sale.

TAC COUNTY WELLNESS PROGRAM

Consider adoption of measure for County Employees to participate in the TAC County Wellness Program;

Judge Davenport made a motion to participate in the TAC County Wellness Program. Commissioner Ward seconded and the motion carried unanimously.

COURTHOUSE ROOF DRAIN LEAK

Discussion and action on report by Court employee Danny Nash regarding roof drain leak;

Danny Nash has a plumber coming to inspect the Courthouse roof drains for blockage and what can be done to make repairs if necessary.

TAC PROPERTY DAMAGE LOSS CHECK

Determination of which fund in which the Treasurer should credit the TAC property damage loss check;

Treasurer Kim Gibby suggested that these funds be deposited into the Miscellaneous Funds Account #90-309-912. Judge Davenport made a motion to deposit this check in the recommended fund. Commissioner Ward seconded and the motion carried unanimously.

JACK COUNTY DIRECT DEPOSIT FOR PAYROLL CHECKS

Consider adoption of policy on mandatory direct deposit of payroll checks for county officials and employees;

Judge Davenport made a motion to TABLE this item. Commissioner Cozart seconded and the motion carried unanimously.

ADJOURNMENT

There being no further business motion was made by Commissioner Cozart to adjourn and seconded by Commissioner Brock. The motion carried unanimously.

Meeting was adjourned at 3:03 p.m.

Fearl F. Smith, Commissioner Pct. #1

James Brock

James Brock, Commissioner Pct. #2

James L. Cozart

James L. Cozart, Commissioner Pct. #3

Terry Ward

Terry Ward, Commissioner Pct. #4

Mitchell G. Davenport

Mitchell G. Davenport, County Judge

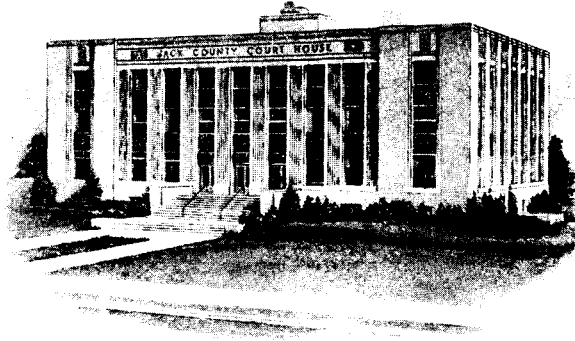
ATTEST:

Janice Robinson

Janice Robinson, County Clerk



JACK COUNTY



JACKSBORO, TEXAS

KIM GIBBY
County Treasurer
100 N. Main St., Ste. 201
Jacksboro, Texas 76458

FILED FOR RECORD
MAR 04 2015
00CLOCK M.
BY JANICE ROBINSON, County Clerk
JACK COUNTY, TEXAS
DEPUTY

AUDITOR AND TREASURER'S CERTIFICATE

I hereby certify that the following constitutes the Jack County Treasurer's Report for the monthly period ending on January 31, 2015.

This report was prepared for the purposes of comparing and reconciling the actual balances of the County's cash accounts and investments, if any, to its general ledger for the period stated.

Respectfully submitted,

- Kim Gibby -
Kim Gibby, Jack County Treasurer

Agreed:

- Earlene Rhoades -
Earlene Rhoades, Jack County Auditor

ORDER APPROVING TREASURER'S REPORT

After comparing and examining the Treasurer's Report for the monthly period ending January 31, 2015, and determining that the report is correct, the Court finds that the report should be approved. It is therefore ORDERED that the report is approved.

It is FURTHER ORDERED that the amounts received and paid from each fund, and the cash balance remaining in the Treasurer's custody are as indicated in the report itself.

ORDERED this 23rd day of February, 2015.

- Fearl Smith -
Fearl Smith,
Commissioner, Pct. 1, Jack County

- James Brock -
James Brock,
Commissioner, Pct. 2, Jack County

- James L. Cozart -
James L. Cozart,
Commissioner, Pct. 3, Jack County

- Terry Ward -
Terry Ward,
Commissioner, Pct. 4, Jack County

- Mitchell G. Davenport -
Mitchell G. Davenport,
County Judge of Jack County, Texas

ATTEST
- Janice Robinson -
Janice Robinson, County Clerk of Jack County, Texas



TREASURER'S REPORT JANUARY 2015

UNCLAIMED PROPERTY ACCOUNT					
Date	Rec'd From	Description			Balance
1/31/2015		BALANCE FORWARD			\$5,870.12
EXTRADITION ACCOUNT					
Date	Rec'd From	Description			Balance
1/31/2015		BALANCE FORWARD			\$1,422.90
00078 ACCOUNT					
Date	Rec'd From	Description			
1/31/2015		BALANCE SHOWN ON STATEMENT		\$ 5,535,834.86	
		Outstanding Checks		112,467.46	Balance
		ENDING BALANCE	1/31/15		\$5,423,367.40

RECAP OF MONEY JANUARY 2015							
Fund	Balance	Transfer	Receipts	Accts Payable	Payroll	Transfer	Balance
Designation	01/01/15	Out				In	01/31/15

Precinct #1	\$ 208,309.79	\$ -	\$ 21.90	\$ 13,976.38	\$ 7,549.58	\$ 26,920.00	\$ 213,725.73
Precinct #2	\$ 188,818.16	\$ -		\$ 14,280.63	\$ 7,138.08	\$ 26,920.00	\$ 194,319.45
Precinct #3	\$ 253,412.49	\$ -		\$ 20,213.74	\$ 7,347.58	\$ 26,920.00	\$ 252,771.17
Precinct #4	\$ 238,407.78	\$ -		\$ 17,993.10	\$ 7,624.36	\$ 26,920.00	\$ 239,710.32
Road & Bridge	\$ 369,588.23	\$ 107,680.00	\$ 67,068.91			\$ -	\$ 328,977.14
R&B Heavy Equipment	\$ 163,522.25	\$ -	\$ 16,923.95			\$ -	\$ 180,446.20
CTIF Fund	\$ 2,161.52	\$ -	\$ 8,292.40			\$ -	\$ 10,453.92
Lateral Road	\$ 228,793.37	\$ -				\$ -	\$ 228,793.37
Law Library	\$ 29,128.85	\$ -	\$ 665.00	\$ 197.00		\$ -	\$ 29,596.85
Appellate Judicial System	\$ 65.00	\$ -	\$ 95.00	\$ 160.00		\$ -	\$ -
County Court RTA	\$ 68,068.26	\$ -	\$ 3,860.00			\$ -	\$ 71,928.26
District Court RTA	\$ 1,437.46	\$ -	\$ 210.00			\$ -	\$ 1,647.46
Records Preservation	\$ 7,909.98	\$ -	\$ 240.00			\$ -	\$ 8,149.98
Work Program	\$ 45.17	\$ -				\$ -	\$ 45.17
Guardianship Fund	\$ 3,420.00	\$ -	\$ 60.00			\$ -	\$ 3,480.00
Emergency Mgmt	\$ (64,826.02)	\$ -		\$ 1,161.27		\$ -	\$ (65,987.29)
CH Renovation	\$ 364,009.85	\$ -				\$ -	\$ 364,009.85
CH Renovation I&S fund bal	\$ 182,528.89	\$ -	\$ 21,608.95	\$ 228,965.00		\$ -	\$ (24,827.16)
General Fund	\$ 3,090,319.34	\$ -	\$ 364,257.10	\$ 324,384.34	\$ 105,173.92	\$ 3,734.38	\$ 3,028,752.56
Judge's State Supplement	\$ 2,916.87	\$ -				\$ -	\$ 2,916.87
Dist. & Co. Court Tech	\$ 6,791.17	\$ -	\$ 37.77			\$ -	\$ 6,828.94
Probate Education	\$ 2,693.32	\$ -	\$ 28.00			\$ -	\$ 2,721.32
Records Management	\$ 2,507.08	\$ -	\$ 372.27			\$ -	\$ 2,879.35
Courthouse Security	\$ 161,479.62	\$ -	\$ 754.51	\$ 1,309.64		\$ -	\$ 160,924.49
Justice Court Tech	\$ 22,311.21	\$ -	\$ 202.08			\$ -	\$ 22,513.29
Interest & Sinking	\$ 540,745.81	\$ -	\$ 43,166.08	\$ 415,481.25		\$ -	\$ 168,430.64
State Fines & Fees	\$ 14,279.08	\$ 3,734.38	\$ 11,830.92	\$ 22,053.94		\$ -	\$ 321.68

TOTALS	\$ 6,088,844.53	\$ 111,414.38	\$ 539,694.84	\$ 1,060,176.29	\$ 134,833.52	\$ 111,414.38	\$ 5,433,529.56

Jack County
Bank Account Reconciliation
1/31/2015

Bank Balance According to Statement	\$ 5,535,834.86
Outstanding Deposits	\$ -
Outstanding Checks	\$ 112,467.46
Balance	\$ 5,423,367.40

Balance per General Ledger by Fund

10	PCT. 1	\$ 213,725.73
20	PCT. 2	\$ 194,319.45
30	PCT. 3	\$ 252,771.17
40	PCT. 4	\$ 239,710.32
50	ROAD & BRIDGE C.W.	\$ 328,977.14
51	R&B Heavy Equipment	\$ 180,446.20
51	CTIF Fund	\$ 10,453.92
60	LATERAL ROADS	\$ 228,793.37
70	LAW LIBRARY	\$ 29,596.85
71	Appellate Judicial System	\$ -
72	County Court RTA	\$ 71,928.26
73	District Court RTA	\$ 1,647.46
80	Preservation fund	\$ 8,149.98
81	Work Program	\$ 45.17
82	Guardianship Fund	\$ 3,480.00
83	Emergency Management	\$ (65,987.29)
84	Courthouse Renovations	\$ 364,009.85
85	Courthouse Renovations I&S	\$ (24,827.16)
90	GENERAL	\$ 3,028,752.56
91	COUNTY JUDGE EXCESS	\$ 2,916.87
92	Dist. & Co. Clerk Tech	\$ 6,828.94
93	PROBATE	\$ 2,721.32
94	RECORDS MANAGEMENT	\$ 2,879.35
95	COURTHOUSE SECURITY	\$ 160,924.49
96	J.P. TECHNOLOGY	\$ 22,513.29
98	INTEREST & SINKING	\$ 168,430.64
99	State Fines & Fees	\$ 321.68

Balance per General Ledger	\$ 5,433,529.56
Balance per Bank Statement	\$ 5,423,367.40
Unlocated difference	\$ (10,162.16)
add voided check # 44657 \$692.53 equals	\$10,854.69

**RESOLUTION FOR SUBSTITUTION AND/OR WITHDRAWAL OF SECURITIES
PLEGGED AND HELD IN TRUST BY TIB-THE INDEPENDENT BANKERSBANK**

WHEREAS, Jacksboro National Bank Bank of Jacksboro, Texas, has been designated and has qualified as the Depository of _____ O'CLOCK _____ M.

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JACK COUNTY

MAR 03 2015

by pledging securities of the kind and in the manner permitted by law, and

JANICE ROBINSON, County Clerk
JACK COUNTY, TEXAS
BY _____ DEPUTY

WHEREAS, by consent of said Depositor, the Depository Bank has lodged said pledged securities with TIB-THE INDEPENDENT BANKERSBANK to be held in trust, and

WHEREAS, said depository desires to make substitutions of securities thus pledged and/or withdrawals, and

WHEREAS, the securities hereinafter mentioned which the Depository desires to substitute in lieu of those heretofore pledged, meet with the requirements of the law and have been and are hereby approved.

WHEREAS, the securities hereinafter mentioned which the Depository wishes to withdraw represent excess collateral or security over and above deposit requirements.

NOW, THEREFORE, said Depository is hereby authorized to withdraw, and TIB-THE INDEPENDENT BANKERSBANK is authorized to release the following securities heretofore pledged by it:

None

and to receive in lieu thereof the following securities, which are hereby in all respects approved:

\$385,000 Cibolo TX GO Bond; 2.30% coupon; cusip. #171637FC0; receipt #204039669; Moody/S&P/ Fitch ratings – A2, AA, N/A; original maturity 02/01/2020; not callable

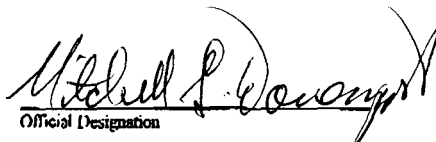
\$425,000 Kingsville TX GO Bond; 4.00% coupon; cusip. #496782LX9; receipt #204040812; Moody/S&P/ Fitch ratings – N/A, AA, N/A; original maturity 08/01/2023; callable 08/01/2020

\$445,000 Snyder TX CISD GO Bond; 3.00% coupon; cusip. #833527AC8; receipt #204039517; Moody/S&P/ Fitch ratings – Aa3, NA, N/A; original maturity 02/15/2021; callable 08/15/2020

I, Mitchell Davenport
County Judge acting for Commissioners of Jack County hereby certifies that the foregoing is a true and correct copy of Resolution properly introduced and passed by unanimous vote of above named body and is in the form in which same was passed and as the same appears on the Minutes of said body.

IN TESTIMONY WHEREOF, I hereunto affix my hand and seal this 9th day of February, 2015.

(SEAL)


Official Designation



**JACKSBORO
NATIONAL BANK**
MyBankTexas.com

February 9, 2015

Fax # 940-567-5502 (2 pages including this letter)
Judge Mitchell Davenport
County of Jack
100 N. Main St., Suite 206
Jacksboro, Texas 76458

From:

Re: Additional bonds pledged to cover County of Jack deposit balances

Dear Judge Davenport:

The Jacksboro National Bank needs to pledge additional bonds to cover deposit balances as of today. Enclosed is a Resolution for Substitution whereby pledging three (3) bonds totaling \$1,255,000. The bond pledged balance will change from \$8,565,000 (original face) to \$9,820,000 with the County's balances on deposit today at the bank totaling a little more than \$9,500,000. Hopefully this will cover any additional deposits to be made but I will stay on top of this. Please fax the resolution back to me as soon as possible.

You will receive copies showing the new pledges when I receive them along with our month end bond accounting pledge report reflecting the changes. If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Debbie J. Rcaves
Vice President & Cashier/COO

To:

DJR/dr

Enclosure

JACKSBORO
940.567.5551
910 N. MAIN • P.O. BOX A
JACKSBORO, TEXAS 76458

BOWIE
940.872.2205
213 W. WISE ST. • P.O. BOX 271
BOWIE, TEXAS 76230

WICHITA FALLS
940.249.5290
4245 KFMP BLVD., STE. 420
WICHITA FALLS, TEXAS 76708

Send Result Report



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RX Date/Time Fax sent by : 9405673592	02/10/2015	10:39 JACKSBORO NATL BK	9405673592	02-10-15 09:34	P.001 Pg: 1/2
					
<p>February 9, 2015</p>					
<p>Fax # 940-567-5502 (2 pages including this letter) Judge Mitchell Davenport County of Jack 100 N. Main St., Suite 206 Jacksboro, Texas 76458</p>					
<p>Re: Additional bond...</p>					

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R|C|O RYLANDER, CLAY & OPITZ, LLP
CERTIFIED PUBLIC ACCOUNTANTS
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_____ O'CLOCK _____ M.

MAR 03 2015

JANICE ROBINSON, County Clerk
JACK COUNTY, TEXAS

BY _____ DEPUTY

January 28, 2015

Commissioner's Court
Jack County
100 Main Street
Jacksboro, Texas 76458

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of Jack County, Texas (the "County") regulatory basis financial statements as of and for the year ended September 30, 2014.

Communication

Effective two-way communication between our firm and the commissioner's court is important to understanding matters related to the audit and in developing a constructive working relationship.

Your insights may assist us in understanding the County and its environment, in identifying appropriate sources of audit evidence, and in providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate with us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the regulatory basis financial statements, illegal acts that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We also will communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. Also, if an immediate family member or close relative of a partner or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with firm policy. In addition, our policies restrict certain non-audit services that may be provided by the firm and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how your County functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of your County. The development of a specific audit plan will begin by meeting with you and with management to obtain an understanding of business objectives, strategies, risks, and performance.

We will obtain an understanding of internal control to assess the impact of internal control on determining the nature, timing and extent of audit procedures, and we will establish an overall materiality limit for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your regulatory basis financial statements might be susceptible to material misstatement due to fraud or error.

We will use this knowledge and understanding, together with other factors, to first assess the risk that errors or fraud may cause a material misstatement at the financial statement level. The assessment of the risks of material misstatement at the financial statement level provides us with parameters within which to design the audit procedures for specific account balances and classes of transactions. Our risk assessment process at the account-balance or class-of-transactions level consists of:

- An assessment of inherent risk (the susceptibility of an assertion relating to an account balance or class of transactions to a material misstatement, assuming there are no related controls); and
- An evaluation of the design effectiveness of internal control over financial reporting and our assessment of control risk (the risk that a material misstatement could occur in an assertion and not be prevented or detected on a timely basis by the County's internal control).

We will then determine the nature, timing and extent of tests of controls and substantive procedures necessary given the risks identified and the controls as we understand them.

The Concept of Materiality in Planning and Executing the Audit

In planning the audit, the materiality limit is viewed as the maximum aggregate amount of misstatements, which if detected and not corrected, would cause us to modify our opinion on the regulatory basis financial statements. The materiality limit is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current regulatory basis financial statements as well as regulatory basis financial statements of future periods. At the end of the audit, we will inform you of all individual unrecorded misstatements aggregated by us in connection with our evaluation of our audit test results.

Our Approach to Internal Control Relevant to the Audit

Our audit of the regulatory basis financial statements will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Our review and understanding of the County's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

Timing of the Audit


We have scheduled final field work commencing the week of February 9, 2015. Management's adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the County.

This communication is intended solely for the information and use of the commissioner's court and management and is not intended to be and should not be used by anyone other than these specified parties.

RYLANDER, CLAY & OPITZ, LLP


Partner





R|C|O RYLANDER, CLAY & OPITZ, LLP
CERTIFIED PUBLIC ACCOUNTANTS
Smart Solutions. Real Results.

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_____ O'CLOCK _____ M.

MAR 03 2015

JANICE ROBINSON, County Clerk
JACK COUNTY, TEXAS

BY _____ DEPUTY

January 28, 2015

Honorable Judge Mitchell Davenport
Jack County
100 Main Street
Jacksboro, Texas 76458

The Objective and Scope of the Audit of the Regulatory basis financial Statements

You have requested that we audit the financial statements of Jack County, Texas (the "County"), which comprise general purpose financial statements in accordance with standards necessary for the County's bond company ("regulatory basis financial statements"), which is not intended to be in accordance with accounting principles generally accepted in the United States of America as defined in GASB # 34 as of and for the year-ended September 30, 2014. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion on the regulatory basis financial statements.

The Responsibilities of the Auditor

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); "Government Auditing Standards" issued by the Comptroller General of the United States. 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. 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that are immaterial to the regulatory basis financial statements. The determination of abuse is subjective; therefore, Government Auditing Standards do not expect us to provide reasonable assurance of detecting abuse.

In making our risk assessments, we consider internal control relevant to the County's preparation and fair presentation of the regulatory basis 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 County's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the regulatory basis financial statements that we have identified during the audit.

We will also communicate to the commissioners' court (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the regulatory basis financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

The funds that you have told us are maintained by the County and that are to be included as part of our audit are listed as an attachment.

Our report(s) on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards identified above. Our report(s) on compliance matters will address material errors, fraud, abuse, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts, and any state or federal grant, entitlement, or loan program questioned costs of which we become aware, consistent with requirements of the standards identified above.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

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

- a. For the preparation and fair presentation of the regulatory basis financial statements in accordance with standards necessary for the County's bond company;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory basis financial statements that are free from material misstatement, whether due to fraud or error; and
- c. For establishing and maintaining effective internal control over financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge;
- d. For (a) making us aware of significant vendor relationships where the vendor is responsible for program compliance, (b) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings, and a corrective action plan, and (c) report distribution including submitting the reporting package[s]; and
- e. To provide us with:
 - (1) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the regulatory basis financial statements such as records, documentation, and other matters;
 - (2) Additional information that we may request from management for the purpose of the audit; and
 - (3) Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.



- (4) When applicable, a summary schedule of prior audit findings for inclusion in the single audit reporting package; and
- (5) If applicable, responses to any findings reported on the schedule of findings and questioned costs.

As part of our audit process, we will request from management and when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit including among other items:

- a. That management has fulfilled its responsibilities as set out in the terms of this letter; and
- b. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the regulatory basis financial statements taken as a whole.

Management is responsible for identifying and ensuring that County complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud or abuse, and for informing us about all known or suspected fraud or abuse affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud or abuse could have a material effect on the regulatory basis financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or abuse or suspected fraud or abuse affecting the entity received in communications from employees, former employees, regulators, or others.

Management is responsible for the preparation of the supplementary information in accordance with the regulatory basis. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited regulatory basis financial statements or, if the supplementary information will not be presented with audited regulatory basis financial statements, to make the audited regulatory basis financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

The commissioners' court is responsible for informing us of its views about the risks of fraud or abuse within the County, and its knowledge of any fraud or abuse or suspected fraud or abuse affecting the County.

The County agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, the County agrees to contact us before it includes our reports or otherwise makes reference to us, in any public or private securities offering.

Our association with an official statement is a matter for which separate arrangements will be necessary. The County agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when the County seeks such consent, we will be under no obligation to grant such consent or approval.

Because Rylander, Clay & Opitz, LLP ("RCO") will rely on the County and its management and commissioners' court to discharge the foregoing responsibilities, the County holds harmless and releases



RCO, its partners, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of the County's management which has caused, in any respect, RCO's breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

The County's Records and Assistance

If circumstances arise relating to the condition of the County's records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the regulatory basis financial statements because of error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion, issue a report, or withdraw from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the County's books and records. The County will determine that all such data, if necessary, will be so reflected. Accordingly, the County will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by County personnel, including the preparation of schedules and analyses of accounts, will be discussed and coordinated with county auditor and assistant county auditor. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

In connection with our audit, you have requested us to perform certain non-audit services necessary for the preparation of the regulatory basis financial statements, including drafting the regulatory basis financial statements and supplementary information. The independence standards of the "Government Auditing Standards" issued by the Comptroller General of the United States GAS require that the auditor maintain independence so that opinions, findings, conclusions, judgments, and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-audit service to the County, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-audit services provided. A critical component of our determination is consideration of management's ability to effectively oversee the non-audit service to be performed. The County has agreed to contract with Birdwell, Quinn & Co., P.C. and has determined that they possess suitable skill, knowledge, or experience and understands the services to be performed sufficiently to oversee them. Accordingly, the management of the County agrees to the following:

1. The County has contracted with Kenneth Savell with Birdwell, Quinn & Co., P.C., who possesses suitable skill, knowledge, and experience to oversee the services.
2. Kenneth Savell will assume all management responsibilities for subject matter and scope of the regulatory financial statements.
3. The County will evaluate the adequacy and results of the services performed.
4. The County accepts responsibility for the results and ultimate use of the services.

GAS further requires we establish an understanding with the management and those charged with governance of the County of the objectives of the non-audit service, the services to be performed, the entity's acceptance of its responsibilities, the auditor's responsibilities, and any limitations of the non-audit service. We believe this letter documents that understanding.



Other Relevant Information

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

In accordance with Government Auditing Standards, a copy of our most recent peer review report is enclosed for your information.

Fees, Costs, and Access to Workpapers

Our fees for the audit and accounting services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses. Our fee estimate and completion of our work is based upon the following criteria:

- a. Anticipated cooperation from County personnel and contracted accountants
- b. Timely responses to our inquiries
- c. Timely completion and delivery of client assistance requests
- d. Timely communication of all significant accounting and financial reporting matters
- e. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, the County agrees it will compensate RCO for any additional costs incurred as a result of the County's employment of a partner or professional employee of RCO.

In the event we are requested or authorized by the County or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the County, the County will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

The documentation for this engagement is the property of RCO. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of RCO audit personnel and at a location designated by our Firm.



Claim Resolution

The County and RCO agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than two years after the date of the audit report issued by RCO or the date of this arrangement letter if no report has been issued. The County waives any claim for punitive damages. RCO's liability for all claims, damages and costs of the County arising from this engagement is limited to the amount of fees paid by the County to RCO for the services rendered under this arrangement letter.

If any term or provision of this Agreement is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

Reporting

We will issue a written report upon completion of our audit of the County's regulatory basis financial statements. Our report will be addressed to the commissioners' court of the County. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

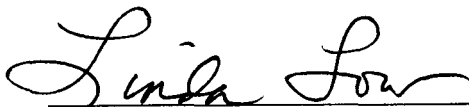
In addition to our report on the County's regulatory basis financial statements, we will also issue the following types of reports:

- Reports on internal control related to the regulatory basis financial statements. These reports will describe the scope of testing of internal control and the results of our tests of internal controls.

This letter constitutes the complete and exclusive statement of agreement between Rylander, Clay & Opitz LLP and Jack County, Texas, superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement between the parties.

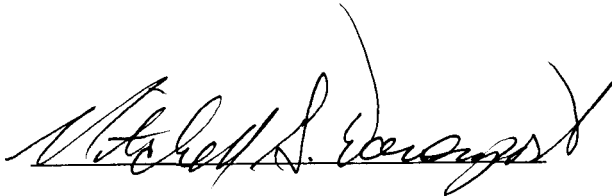
Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the regulatory basis financial statements including our respective responsibilities.

RYLANDER, CLAY & OPITZ LLP



Partner

Confirmed on behalf of the County:





ATTACHMENT A
FUNDS AND ACCOUNT GROUPS

- General Fund
- Debt Service Fund
- Special Revenue Funds
- Capital Project Fund
- Agency Fund
- General Fixed Asset Account Group
- General Long Term Debt Account Group

