

**PECOS COUNTY JUVENILE JUSTICE DEPARTMENT
GRANT FUNDS**

AUDIT REPORT

AUGUST 31, 2013

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL SECTION	
Statement of Revenues, Expenditures and Changes in Fund Balances by Contract - Budget and Actual (Regulatory Basis)	3
Notes to Financial Statement	5
COMPLIANCE SECTION	
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 <i>Government Auditing Standards</i>	7
Schedule of Findings and Questioned Costs	9
Status of Prior Year Findings and Questioned Costs	10



INDEPENDENT AUDITOR'S REPORT

Pecos County Juvenile Board
Fort Stockton, Texas

We have audited the accompanying statement of revenues, expenditures and changes in fund balance by contract – budget and actual (regulatory basis), of the Pecos County, Texas Juvenile Board (the Board), Texas Juvenile Justice Department Grant Funds for the year ended August 31, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement 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 this financial statement based on our audit. 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues earned and expenditures incurred compared to budgeted revenues and expenditures of the Board's Texas Juvenile Justice Department Grant Funds for the year ended August 31, 2013, 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 statement, which describes the basis of accounting. The financial statement is prepared on the basis of the 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2014, on our consideration of the Board'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 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 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 Board's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of management of the Pecos County Juvenile Board, and for filing with the Texas Juvenile Justice Department and is not intended to be and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Odessa, Texas
February 14, 2014

FINANCIAL SECTION

**PECOS COUNTY JUVENILE BOARD
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BY CONTRACT – BUDGET AND ACTUAL
(REGULATORY BASIS)
YEAR ENDED AUGUST 31, 2013**

	Grant A-13-186		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental - TJJD	\$ 141,193	\$ 115,475	\$ (25,718)
Total revenues	141,193	115,475	(25,718)
EXPENDITURES			
Salaries and fringe benefits	74,240	74,240	-
Non-residential services	14,953	14,485	468
Residential services	52,000	26,750	25,250
Total expenditures	141,193	115,475	25,718
Excess of revenues over expenditures	-	-	-
FUND BALANCE, beginning of year	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -
ADDITIONAL INFORMATION:			
Refunds paid to the Commission for the period of fiscal year 2013 October 10, 2013		\$ 25,718	

Grant C-13-186

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 12,500	\$ 12,500	\$ -
12,500	12,500	-
-	-	-
-	-	-
12,500	12,500	-
12,500	12,500	-
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PECOS COUNTY JUVENILE BOARD
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
NOTES TO THE FINANCIAL STATEMENT**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Entity

The Texas Juvenile Justice Department Grant Funds of Pecos County, Texas (the Funds) were established to account for juvenile probation services funded by the Texas Juvenile Justice Department (TJJD) in Pecos County, Texas. The Pecos County Juvenile Board (the Board) oversees the grant funds.

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.

Basis of Accounting

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

- The financial statement is 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 statement does not represent a financial statement prepared in accordance with provisions for governmental funds as prescribed by the Governmental Accounting Standards Board.
- The accompanying financial statement is prepared in a format to facilitate uniform financial reporting by county probation departments.

Subsequent Events

The Board has evaluated subsequent events for potential recognition and/or disclosure through February 14, 2014, the date the financial statements were available to be issued.

NOTE 2. RECONCILIATION OF INTEREST EARNED

The Board does not have idle funds to be invested, as all funds received were spent for juvenile services.

**PECOS COUNTY JUVENILE BOARD
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
NOTES TO THE FINANCIAL STATEMENT**

**NOTE 3. OPERATING COST FOR A SECURE JUVENILE FACILITY OPERATED BY
PECOS COUNTY**

The Board does not operate a secure juvenile facility.

NOTE 4. 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. For purposes of this comparison, the juvenile expenditures of local funds from September 1, 2012 through August 31, 2013 were totaled, instead of using the County's fiscal year of January 1 through December 31. A confirmation of local funds for the year ended August 31, 2013 is required and presented below:

Local Funding Expended (less construction and capital outlay)	
FY 2013	\$ 318,593
FY 2006	\$ 174,806

The Board's preliminary, uncertified list of expenditures for the period from September 1, 2012 through August 31, 2013 met the financial match requirement for fiscal year 2013.

NOTE 5. REFUND TO STATE

Revenue in the fiscal year ended August 31, 2013 exceeded expenditures by \$25,718 in Grant A-13-186 and was refunded to the Texas Juvenile Justice Department.

COMPLIANCE SECTION



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

Pecos County Juvenile Board
Fort Stockton, 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 statement of revenues, expenditures and changes in fund balance by contract – budget and actual (regulatory basis) of the Pecos County, Texas Juvenile Board (the Board) Texas Juvenile Justice Department Grant Funds for the year ended August 31, 2013, and the related notes to the financial statement, which collectively comprise Pecos County, Texas Juvenile Board's basic financial statement, and have issued our report thereon dated February 14, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement 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.

Pecos County Juvenile Board
Fort Stockton, Texas

Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pecos County Juvenile Board's financial statement is 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*.

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Odessa, TX
February 14, 2014

**PECOS COUNTY JUVENILE BOARD
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2013**

There were no findings or questioned costs in the year ended August 31, 2013.

**PECOS COUNTY JUVENILE BOARD
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2013**

There were no findings or questioned costs in the year ended August 31, 2012.