

Pecos County Juvenile Probation Department
Texas Juvenile Justice Department Grant Funds

Financial and Compliance Reports

For the Fiscal Year Ended August 31, 2024

Pecos County Juvenile Probation Department
Texas Juvenile Justice Department Grant Funds
Financial and Compliance Reports
For the Fiscal Year Ended August 31, 2024
Table of Contents

Page

Financial Section

Independent Auditor's Report	3
------------------------------------	---

Basic Financial Statement

Statement of Revenues, Expenditures and Changes in Fund Balance by Contract – Budget and Actual – Regulatory Basis	8
Notes to the Financial Statement.....	9

Compliance Section

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of a Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	13
Schedule of Findings and Questioned Costs	15
Status of Prior Year Findings and Questioned Costs	16

This Page Intentionally Left Blank

Financial Section

This Page Intentionally Left Blank

Independent Auditor's Report

Juvenile Board of Pecos County
Fort Stockton, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Texas Juvenile Justice Department Grant Funds of the Pecos County Juvenile Probation Department (the Department), which comprise the statement of revenues, expenditures, and changes in fund balance – budget and actual - regulatory basis for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the revenues earned and expenditures incurred compared to budgeted revenues and expenditures of the Department's Texas Juvenile Justice Department Grant Funds for the year ended August 31, 2024, 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 (GAAS) 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 opinions.

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 the 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 TJJD. Our opinion is not modified with respect to that matter.

Emphasis of Matter — Reporting Entity

As discussed in Note 1, the aggregate financial statements of the Department are intended to present the revenues earned and expenditures incurred and changes in fund balance budget and actual of only that portion of the government activities, each major fund and the aggregate remaining fund information of Pecos County (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 the County as of August 31, 2024 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

The Department's management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of TJJD. 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS 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 GAAS 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for a reasonable period of time.

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.

Restriction on Use

Our report is intended solely for the information and use of management, Pecos County, others within Pecos County Juvenile Probation Department and Texas Juvenile Justice Department and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
February 28, 2025

This Page Intentionally Left Blank

Basic Financial Statement

Pecos County Juvenile Probation Department
Texas Juvenile Justice Department Grant Funds
Statement of Revenues, Expenditures and Changes
in Fund Balance by Contract – Budget and Actual
(Regulatory Basis)
For the Fiscal Year Ended August 31, 2024

	Grant A-2024-186			Grant R-2024-186			Salary Adjustment Grant		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance	Final Budget	Actual	Variance
REVENUES									
Intergovernmental - TJJD	\$ 172,943	149,426	\$ (23,517)	\$ 2,112	2,112	\$ -	\$ 7,340	7,340	-
Total revenues	172,943	149,426	(23,517)	2,112	2,112	-	7,340	7,340	-
EXPENDITURES									
Direct supervision	96,514	94,167	2,347	2,112	2,112	-	7,340	7,340	-
Community based programs (general)	25,950	24,729	1,221	-	-	-	-	-	-
Community based programs (mental health)	19,400	18,055	1,345	-	-	-	-	-	-
Pre-adjudication/detention	21,813	12,475	9,338	-	-	-	-	-	-
Post adjudication (secure)	9,266	-	9,266	-	-	-	-	-	-
Total expenditures	172,943	149,426	23,517	2,112	2,112	-	7,340	7,340	-
Excess of revenues over expenditures	-	-	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADDITIONAL INFORMATION:									
Refunds paid to TJJD									
October 30, 2024			<u>\$ 27,817</u>						

The Notes to the Financial Statement are
an integral part of this statement.

Pecos County Juvenile Probation Department
Texas Juvenile Justice Department Grant Funds

Notes to the Financial Statement

Note 1. Summary of Significant Accounting Policies

A. Entity

The Texas Juvenile Justice Department Grant Funds of Pecos County (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 both the Pecos County Juvenile Probation Department and the grant funds.

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 for the fiscal year ended August 31, 2024, only a single fund financial statement, related to the activity of Grant A and Grant R, is required to be reported.

B. 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 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.

The regulatory basis of accounting involves the reporting of revenues, expenditures, and changes in fund balance (budget and actual) to meet the financial reporting requirements of the TJJD. This regulatory basis of accounting differs from generally accepted accounting principles (GAAP) primarily because the financial statement does not include the GAAP presentations of government-wide and fund financial statements. As a result, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources that would be reported in GAAP basis financial statements are not reported in this regulatory basis presentation.

C. Subsequent Events

The Department has evaluated subsequent events for potential recognition and/or disclosure through February 28, 2025, the date the financial statement was available to be issued.

Pecos County Juvenile Probation Department
Texas Juvenile Justice Department Grant Funds
 Notes to the Financial Statement

Note 2. Reconciliation of Interest Earned

Idle funds were maintained in an interest-bearing account. The reconciliation of interest earned on funds received from TJJD is as follows:

	Interest Earned Title IV-E Funds FY 2024	Total Interest
Beginning balance, September 1, 2023	\$ -	\$ -
Interest earned on funds received from the period of September 1, 2023 - August 31, 2024	1,851	1,851
Minus interest expenditures in FY 2024	(1,667)	(1,667)
Ending balance, August 31, 2024	<u>\$ 184</u>	<u>\$ 184</u>

Note 3. Operating Costs for a Secure Juvenile Facility Operated by Pecos County

The Department does not operate a secure juvenile facility.

Note 4. Federal Financial Assistance

The Texas Juvenile Department administers, along with the Texas Department of Family and Protective Services, the Title IV-E Program (ALN 93.658). No foster care distributions were made to Pecos County from this program.

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 2022 County fiscal year excluding construction and capital outlay expenses. For purposes of this comparison, the juvenile expenditures of local funds from September 1, 2023 through August 31, 2024 were totaled, instead of using the Department's fiscal year of October 1 through September 30. A confirmation of local funds for the year ended August 31, 2024, is required and presented below:

	<u>Local Funding Expended (less construction and capital outlay)</u>
FY 2024	\$249,585
FY 2022	\$236,156

The Department certified the financial match requirements were fulfilled in fiscal year 2024.

Pecos County Juvenile Probation Department
Texas Juvenile Justice Department Grant Funds
Notes to the Financial Statement

Note 6. State Financial Assistance

The Department does not have State Financial Assistance.

Note 7. Refund to State

Revenues for the fiscal year ended August 31, 2024 were reduced by \$27,817 in Grant SA-2023-02943, in accordance with the regulatory basis audit requirement. The amount was refunded to the Texas Juvenile Justice Department in October 2024.

Compliance Section

**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of a Financial Statement Performed
in Accordance with Government Auditing Standards**

Juvenile Board of Pecos County
Fort Stockton, Texas

We have audited, 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, the statements of revenues, expenditures, and changes in fund balance by contract – budget and actual – regulatory basis of Texas Juvenile Justice Department Grant Funds of the Pecos County Juvenile Probation Department (the Department), for the year ended August 31, 2024, and the related notes to the financial statements, and have issued our report thereon dated February 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, 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 our opinions on the financial statements, and compliance with provisions of laws, regulations, contracts and grant agreements or instances of fraud, including the specific financial assurances contained in Section VIII.J of the General Grant Requirements and any Targeted Grant requirements, 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 a 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.

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 controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal controls 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.

Restriction on Use

This report is intended solely for the information and use of management, Pecos County, others within Pecos County Juvenile Probation Department and 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.

Austin, Texas
February 28, 2025

Pecos County Juvenile Probation Department
Texas Juvenile Justice Department Grant Funds

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended August 31, 2024

There were no findings or questioned costs for the fiscal year ended August 31, 2024.

Pecos County Juvenile Probation Department
Texas Juvenile Justice Department Grant Funds
Status of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended August 31, 2024

There was no Texas Juvenile Justice Department audit grant report for the year ended August 31, 2023.