

*REPORT OF EXAMINATION*

**BANDERA COUNTY  
JUVENILE PROBATION  
DEPARTMENT**

*Bandera, Texas*

**For the Grant Year Ended  
August 31, 2016**

BANDERA COUNTY JUVENILE PROBATION DEPARTMENT  
BANDERA, TEXAS

FINANCIAL STATEMENT

FOR THE GRANT YEAR ENDED AUGUST 31, 2016

BANDERA COUNTY JUVENILE PROBATION DEPARTMENT  
BANDERA, TEXAS

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### Independent Auditor's Report

Members of the Board  
Bandera County Juvenile Probation Department  
Bandera County, Texas

We have audited the accompanying financial statements of the Texas Juvenile Justice Department Grant Funds of the Bandera 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, 2016 and the related notes to the financial statements.

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

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

#### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriated 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 revenue 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, 2016, in accordance with the financial reporting provisions of the Texas Juvenile Justice Department as described in Note 1.

## **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of 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.

## **Emphasis of Matter**

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated February 23, 2017 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bandera County's internal control over financial reporting and compliance.

## **Restriction on Use**

This report is intended solely for the information and use of management, Bandera County, others within Bandera 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.

*Neffendorf & Knopp, P.C.*

NEFFENDORF & KNOPP, P.C.  
Fredericksburg, Texas

February 23, 2017

BANDERA 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 YEAR ENDED AUGUST 31, 2016

	Grant A-2016-010		
	Final Budget	Actual	Variance
<b><u>Revenues:</u></b>			
TJJD Funds	\$ 169,245	\$ 169,245	\$ -
Total Revenues	\$ 169,245	\$ 169,245	\$ -
<b><u>Expenditures</u></b>			
Basic Probation Services	\$ 42,613	\$ 42,613	\$ -
Community Programs	106,989	106,989	-
Pre Post Adjudications	-	-	-
Commitment Diversion	12,483	12,483	-
Mental Health Services	7,160	7,160	-
Total Expenditures	\$ 169,245	\$ 169,245	\$ -
Excess (Deficit) Revenues Over Expenditures	\$ -	\$ -	\$ -
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

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

BANDERA COUNTY JUVENILE PROBATION DEPARTMENT  
 TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS  
 NOTES TO THE FINANCIAL STATEMENTS  
 THE GRANT YEAR ENDED AUGUST 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Texas Juvenile Justice Department Grant Funds of Bandera County (the "Funds") were established to account for juvenile probation services funded by the Texas Juvenile Justice Department in Bandera County.

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

Basis of Accounting

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

- 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 juvenile probation departments.

NOTE 2. RECONCILIATION OF ACCRUED INTEREST

Idle funds were maintained in an interest bearing account. The reconciliation of interest earned on funds received from the Texas Juvenile Justice Department is as follows:

	Interest Earned TJJD Funds FY 2016	Interest Earned Title IV-E Funds FY 2016
	FY 2016	FY 2016
Beginning Balance, September 1, 2015	\$ -	\$ 6,214
Interest earned on funds received from the period of 9/01/2015 – 8/31/2016	-	10
Total interest at August 31, 2016	\$ -	\$ 10
Less interest expenditures in FY 2016	-	-
Ending Balance, August 31, 2016	\$ -	\$ 6,224

NOTE 3. OPERATING COSTS FOR A SECURE JUVENILE FACILITY

Bandera County Juvenile Probation Department does not operate a secure juvenile facility.

NOTE 4. FEDERAL FINANCIAL ASSISTANCE

The Texas Juvenile Justice Department administers along with the Texas Department of Family and Protective Services, the Title IV-E Program (CFDA 93.658). The Texas Juvenile Justice Department disburses funds to Bandera County on a cost reimbursement basis. A confirmation of revenue received in the year ending August 31, 2016 is required and presented below. This includes receipts for direct and enhanced administrative foster care claims.

Title IV-E Contract Number	Amount Received (cash basis) August 31, 2016
E-2011-010	\$ -
E-2012-010	-
E-2013-010	-
E-2014-010	-
E-2015-010	-
E-2016-010	-
	<hr/>
TOTAL	\$ <u>-</u>

NOTE 5. FINANCIAL MATCH REQUIREMENTS

To receive Texas Juvenile Justice Department state funds, the juvenile probation departments are required to certify that the amounts of local or county funds expended for juvenile services is at least equal to or greater than the amount spent in the 2006 county fiscal year excluding construction and capital outlay expenses. A confirmation of local funds for the year ending August 31, 2016 is required and presented below:

	<u>Local Funding Expended (less construction and capital outlay)</u>
FY 2016	\$ 236,308
FY 2006	98,230

The juvenile probation department certified the financial match requirements were fulfilled in FY 2016.



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### 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

Members of the Board  
Bandera County Juvenile Probation Department  
Bandera County, 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 the Bandera County Juvenile Probation Department, and have issued our report thereon dated February 23, 2017.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bandera County Juvenile Probation Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriated in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bandera County Juvenile Probation Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bandera County Juvenile Probation 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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Bandera County Juvenile Probation 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 of 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Neffendorf + Knopp, P.C.*

NEFFENDORF & KNOPP, P.C.  
Fredericksburg, Texas

February 23, 2017

BANDERA COUNTY JUVENILE PROBATION DEPARTMENT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2016

Findings

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

BANDERA COUNTY JUVENILE PROBATION DEPARTMENT  
SCHEDULE OF PRIOR YEAR  
FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2016

Prior Year Findings

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