

REPORT OF EXAMINATION

**BANDERA COUNTY
JUVENILE BOARD**

Bandera, Texas

**For the Grant Year Ended
August 31, 2012**

BANDERA COUNTY JUVENILE BOARD
BANDERA, TEXAS

FINANCIAL STATEMENT

FOR THE GRANT YEAR ENDED AUGUST 31, 2012

BANDERA COUNTY JUVENILE BOARD
BANDERA, TEXAS

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Independent Auditor's Report

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

We have audited the statement of revenues, expenditures and changes in fund balance - budget and actual - regulatory basis for the year ended August 31, 2012 of the Bandera County Juvenile Board, Texas Juvenile Justice Department Grant Funds. This statement is the responsibility of the Board's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed more fully in Note 1, the Bandera County Juvenile Board prepares its financial statement using accounting practices prescribed or permitted by the Texas Juvenile Justice Department, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statement of the variances between those regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The financial statement was prepared on the same basis of accounting used for reporting to the Texas Juvenile Justice Department, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As discussed in Note 1, the financial statement presents the results of operations of the Board'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.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue it 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, 2012, in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 11, 2013 on our consideration of the Board'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* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management of the Bandera 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.

Neffendorf, Knopp, Doss + Company, P.C.

NEFFENDORF, KNOPP, DOSS & COMPANY, P.C.
Fredericksburg, Texas

February 11, 2013

BANDERA COUNTY JUVENILE BOARD
 TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BY CONTRACT -
 BUDGET AND ACTUAL (REGULATORY BASIS)
 FOR THE YEAR ENDED AUGUST 31, 2012

	Grant A-2012-010			Grant C-2012-010			Grant E-2011-010	
	Budgeted	Actual	Variance	Budgeted	Actual	Variance		Actual
<u>Revenues:</u>								
TJJJ Funds	\$ 144,653	\$ 144,653	\$ -	\$ 12,727	\$ 12,727	\$ -	\$ -	\$ -
Total Revenues	<u>\$ 144,653</u>	<u>\$ 144,653</u>	<u>\$ -</u>	<u>\$ 12,727</u>	<u>\$ 12,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Expenditures</u>								
Salaries and Fringe Benefits	\$ 119,375	\$ 119,375	\$ -	\$ 9,707	\$ 9,707	\$ -	\$ -	\$ -
Travel	-	-	-	-	-	-	-	-
Operating Expenditures	-	-	-	-	-	-	-	-
Non-residential Services	25,278	25,278	-	3,020	3,020	-	-	-
Residential Services	-	-	-	-	-	-	-	-
Total Expenditures	<u>\$ 144,653</u>	<u>\$ 144,653</u>	<u>\$ -</u>	<u>\$ 12,727</u>	<u>\$ 12,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficit) Revenues Over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	22,009
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,009</u>

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

BANDERA COUNTY JUVENILE BOARD
 TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
 NOTES TO THE FINANCIAL STATEMENTS
 THE GRANT YEAR ENDED AUGUST 31, 2012

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 Commission Funds FY 2012	Interest Earned Title IV-E Funds FY 2012
	<u> </u>	<u> </u>
Beginning Balance, September 1, 2011	\$ -	\$ 6,063
Interest earned on funds received from the period of 9/01/2011 – 8/31/2012	-	61
Total interest at August 31, 2012	\$ -	\$ 6,124
Less interest expenditures in FY 2012	-	-
Ending Balance, August 31, 2012	<u>\$ -</u>	<u>\$ 6,124</u>

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, 2012 is required and presented below. This includes receipts for direct and enhanced administrative foster care claims.

<u>Title IV-E Contract Number</u>	<u>Amount Received (cash basis) August 31, 2012</u>
E-2010-010	-
E-2011-010	-
E-2012-010	-
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, 2012 is required and presented below:

	<u>Local Funding Expended (less construction and capital outlay)</u>
FY 2012	\$ 202,302
FY 2006	\$ 98,230

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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 Board
Bandera County, Texas

We have audited the combined financial statements of the Bandera County Juvenile Probation Board Texas Juvenile Justice Department Grant Funds for the year ended August 31, 2012, and have issued our report thereon dated February 11, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bandera County Juvenile Probation Board's internal control over financial reporting as a basis for designing our auditing procedures 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 Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bandera County Juvenile Probation Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements; and, general financial assurances, 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. Compliance with laws, regulations, contracts, grants and requirements of the *Texas Juvenile Justice Department Audit Requirements* is the responsibility of the management of the Board. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Governmental Auditing Standards.

This report is intended solely for the information of management of the Bandera County Juvenile Probation Board, 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, Doss & Company, P.C.

NEFFENDORF, KNOPP, DOSS & COMPANY, P.C.
Fredericksburg, Texas

February 11, 2013

BANDERA COUNTY JUVENILE PROBATION BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2012

Findings

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

BANDERA COUNTY JUVENILE PROBATION BOARD
SCHEDULE OF PRIOR YEAR
FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2012

Prior Year Findings

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