

**WILLIAMSON COUNTY JUVENILE PROBATION
DEPARTMENT**

AUDIT REPORT

AUGUST 31, 2014

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 Statements	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 Government Auditing Standards	9
Schedule of Findings and Questioned Costs	11



INDEPENDENT AUDITOR'S REPORT

Williamson County Juvenile Probation Department
Georgetown, Texas

We have audited the accompanying financial statements of the Texas Juvenile Justice Department Grant Funds of Williamson County Juvenile Probation Department (the Department), which comprise the statement of revenues, expenditures and changes in fund balances by contract – budget and actual (regulatory basis), for the year ended August 31, 2014, 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 appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present 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, 2014, 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 this 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 Williamson 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 26, 2015, 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 the Department's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of management, Williamson County, others within Williamson County Juvenile Probation Department and the Texas Juvenile Justice Department and is not intended to be, and should not 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.

Houston, Texas
February 26, 2015

**WILLIAMSON COUNTY JUVENILE PROBATION DEPARTMENT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BY CONTRACT – BUDGET AND ACTUAL
(REGULATORY BASIS)
FOR THE YEAR ENDED AUGUST 31, 2014**

	Grant A-14-246			Grant C-14-246			Grant M-14-246		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance	Final Budget	Actual	Variance
REVENUES									
TJJD Funds	\$ 1,570,460	\$ 1,570,460	\$ -	\$ 169,802	\$ 169,802	\$ -	\$ 46,919	\$ 46,919	\$ -
Total revenues	<u>1,570,460</u>	<u>1,570,460</u>	<u>-</u>	<u>169,802</u>	<u>169,802</u>	<u>-</u>	<u>46,919</u>	<u>46,919</u>	<u>-</u>
EXPENDITURES									
Salaries and fringe benefits	1,350,788	1,350,788	-	169,802	169,802	-	46,919	46,919	-
Inter-county contracts	119,850	119,850	-	-	-	-	-	-	-
External contracts	99,822	99,822	-	-	-	-	-	-	-
Total expenditures	<u>1,570,460</u>	<u>1,570,460</u>	<u>-</u>	<u>169,802</u>	<u>169,802</u>	<u>-</u>	<u>46,919</u>	<u>46,919</u>	<u>-</u>
EXCESS REVENUES OVER EXPENDITURES	-	-	-	-	-	-	-	-	-
FUND BALANCE, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**WILLIAMSON COUNTY JUVENILE PROBATION DEPARTMENT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BY CONTRACT – BUDGET AND ACTUAL
(REGULATORY BASIS) – CONTINUED
FOR THE YEAR ENDED AUGUST 31, 2014**

	Grant N-14-246			Grant S-14-246		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
REVENUES						
TJJD Funds	\$ 192,170	\$ 192,170	\$ -	\$ 29,000	\$ 29,000	\$ -
Total revenues	192,170	192,170	-	29,000	29,000	-
EXPENDITURES						
Salaries and fringe benefits	88,187	88,187	-	-	-	-
External contracts	103,983	103,983	-	29,000	29,000	-
Total expenditures	192,170	192,170	-	29,000	29,000	-
EXCESS REVENUES OVER EXPENDITURES	-	-	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**WILLIAMSON COUNTY JUVENILE PROBATION DEPARTMENT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Entity

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

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 statements were prepared in conformity with the accounting practices prescribed by TJJD, 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 probation departments.

NOTE 2. RECONCILIATION OF ACCRUED INTEREST

Idle funds are aggregated and invested along with the County's other investments. The reconciliation of interest earned on funds received from TJJD is as follows:

	Interest Earned TJJD Funds
Beginning balance, September 1, 2013	\$ -
Interest earned on funds received from the period September 1, 2013 to August 31, 2014	766
Total interest at August 31, 2014	766
Interest expenditures in FY 2014	(766)
Ending balance, August 31, 2014	\$ -

**WILLIAMSON COUNTY JUVENILE PROBATION DEPARTMENT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
NOTES TO FINANCIAL STATEMENTS**

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

The Department operates two secure juvenile facilities – a post-adjudication and pre-adjudication facility. The schedule of expenditures for each facility is as follows:

Operating Costs
Williamson County Secure Pre-Adjudication Juvenile Facility
For the Year Ended August 31, 2014

	TJJD Funding *	Local Funding	Total
Salary related expenses	\$ 29,063	\$ 2,185,959	\$ 2,215,022
Student related expenses	-	234,180	234,180
Facility expenses	-	91,311	91,311
Capital expenditures	-	-	-
Total operating expenditures	\$ 29,063	\$ 2,511,450	\$ 2,540,513

* TJJD Funding is provided by:
Grant A - \$29,063

Operating Costs
Williamson County Secure Post-Adjudication Juvenile Facility (TRIAD Unit)
For the Year Ended August 31, 2014

	TJJD Funding *	Local Funding	Total
Salary related expenses	\$ 351,506	\$ 52,787	\$ 404,293
Student related expenses	-	63,279	63,279
Facility expenses	-	13,644	13,644
Capital expenditures	-	-	-
Total operating expenditures	\$ 351,506	\$ 129,710	\$ 481,216

* TJJD Funding is provided by:
Grant A - \$181,704
Grant C - \$169,802

**WILLIAMSON COUNTY JUVENILE PROBATION DEPARTMENT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
NOTES TO FINANCIAL STATEMENTS**

NOTE 4. FEDERAL FINANCIAL ASSISTANCE

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

NOTE 5. FINANCIAL MATCH REQUIREMENTS

To receive TJJD state funds, the juvenile probation departments are required to certify that the amount of local or county funds expended for juvenile service 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, 2014 is required and presented below:

	<u>Local Funding Expended (less construction and capital outlay)</u>
FY 2014	\$ 8,288,642
FY 2006	6,622,877

The juvenile probation department certified the financial match requirements were fulfilled in FY 2014.

NOTE 6. STATE FINANCIAL ASSISTANCE

- a. The TJJD provided the County the following funds for the JJAEP Juvenile Reimbursement Grant funds. A confirmation of revenue received in the year ending August 31, 2014 is required and presented below.

	<u>Amount Received (Cash Basis) August 31, 2014</u>
<u>Contract Number</u>	
P-14-246	\$ 141,403

**WILLIAMSON COUNTY JUVENILE PROBATION DEPARTMENT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
NOTES TO FINANCIAL STATEMENTS**

NOTE 6. STATE FINANCIAL ASSISTANCE – CONTINUED

- b. The Texas Juvenile Justice Department provided approval for the County for Grant A State Assistance funds that can be used over a two year period. The following indicates the amounts that are available to be carried forward to the subsequent year and amounts that were expended from prior year contracts.

<u>Contract Number</u>	<u>Amount Carried Forward to Fiscal Year August, 31, 2014</u>	<u>Amount Brought Forward From Fiscal Year August 31, 2012</u>
A-13-246	\$ 75,000	\$ -

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

Williamson County Juvenile Probation Department
Georgetown, 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 (TJJD) of Williamson County Juvenile Probation Department (the Department), for the year ended August 31, 2014, and have issued our report thereon dated February 26, 2015.

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) to determine the audit procedures that are appropriate 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 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 may exist that have not been identified.

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 determination of financial statement amounts.

Williamson County Juvenile Probation Department
Georgetown, Texas

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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
February 26, 2015

**WILLIAMSON COUNTY JUVENILE PROBATION DEPARTMENT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2014**

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