

CAMERON COUNTY, TEXAS
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS

STATE AID GRANT
TJJD-A-13-031
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - (CUMULATIVE BASIS)
For the Year Ended August 31, 2014

	Total Budget	Prior Year Activity	Current Year Activity	To Date Activity	Budget Variance
Revenues					
TJJD grants	\$ 2,584,640	\$ 2,509,640	\$ 75,000	\$ 2,584,640	\$ -
Total Revenues	<u>2,584,640</u>	<u>2,509,640</u>	<u>75,000</u>	<u>2,584,640</u>	<u>-</u>
Expenditures					
Salaries and fringe benefits	1,623,602	1,623,602	-	1,623,602	-
Travel	63,220	63,220	-	63,220	-
Operating expenditures	104,253	104,253	-	104,253	-
Non-residential services	330,241	255,241	75,000	330,241	-
Residential services	463,324	463,324	-	463,324	-
Total Expenditures	<u>2,584,640</u>	<u>2,509,640</u>	<u>75,000</u>	<u>2,584,640</u>	<u>-</u>
Excess of revenues over(under) expenditures	-	-	-	-	-
Fund Balance, September 1, 2013	-	-	-	-	-
Fund Balance, August 31, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Refunds paid to TJJD for the period of Fiscal Year 2013 11/21/13		\$ 211			

See Notes to Financial Statements.

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NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2014

Note 1 – Summary of Significant Accounting Policies

A. Entity

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

B. 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.

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CAMERON COUNTY, TEXAS
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2014

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 TJJD Funds FY 2014	Interest Earned Title IV-E Funds FY 2014	Totals
Accrued Interest:			
Beginning balance, September 1, 2013	\$ -	\$ -	\$ -
Interest accrued on funds received from the period of 9/01/13 – 8/31/14	<u>2,130</u>	<u>4,843</u>	<u>6,973</u>
Total Accrued Interest at August 31, 2014	2,130	4,843	6,973
Minus interest expenditures in FY 2014	<u>(2,130)</u>	<u>(4,843)</u>	<u>(6,973)</u>
Ending Balance, August 31, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 3 – Operating Costs for a Secure Juvenile Facility Operated by Cameron County, Texas

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

Operating Costs
Amador Rodriguez Juvenile Boot Camp
Cameron County Post-Adjudication Juvenile Facility
Ending August 31, 2014

	<u>TJJD Funding</u>	<u>Local Funding</u>	<u>Total</u>
Salary related expenses	\$ 204,108	\$ 1,255,577	\$ 1,459,685
Student related expenses	-	159,296	159,296
Facility expenses	-	71,659	71,659
Capital expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenditures	<u>\$ 204,108</u>	<u>\$ 1,486,532</u>	<u>\$ 1,690,640</u>

TJJD Funding is provided from:
Grant A – \$204,108

CAMERON COUNTY, TEXAS
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS

NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2014

**Note 3 – Operating Costs for a Secure Juvenile Facility Operated by Cameron County,
Texas – Continued**

The Darrel B. Hester Detention Center is a secure facility located just south of the Amador Rodriguez Juvenile Boot Camp in Cameron County. The rated capacity is a population of 69 and housed 410 children during fiscal year 2014.

Operating Costs
Darrell B. Hester Juvenile Detention Center
Cameron County Pre-Adjudication Juvenile Facility
Ending August 31, 2014

	<u>TJPD Funding</u>	<u>Local Funding</u>	<u>Total</u>
Salary related expenses	\$ 157,318	\$ 2,367,710	\$ 2,525,028
Student related expenses	-	182,085	182,085
Facility expenses	-	(6,227)	(6,227)
Capital expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenditures	<u>\$ 157,318</u>	<u>\$ 2,543,568</u>	<u>\$ 2,700,886</u>

TJJD Funding is provided from:
Grant A – \$157,318

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). Funds are disbursed to the Cameron County Juvenile Probation Department on a cost reimbursement basis. This includes receipts for direct and enhanced administrative foster care claims.

<u>Title IV-E Foster Care</u> <u>Contract Number</u>	<u>Amount Received</u> <u>(Cash Basis)</u> <u>August 31, 2014</u>
E-14-031	\$ 21,873
	<u>\$ 21,873</u>

CAMERON COUNTY, TEXAS
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2014

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 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	\$5,918,375
FY 2006	\$4,726,663

The Juvenile Probation Department certified the financial match requirements were fulfilled in FY 2014.

Note 6 – State Financial Assistance

- a. The Texas Juvenile Justice Department provided the Cameron County Juvenile Probation Department 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>Contract Number</u>	<u>Amount Received (Cash Basis) August 31, 2014</u>
TJJD-P-14-031	\$ 709,939

- b. The Texas Juvenile Justice Department provided approval for the Cameron County Juvenile Probation Department for the Grant A State Assistance to be used over a two year period. The following indicates the amount that is available to be carried forward to the subsequent year and amount that was expended from the prior year contract.

<u>Contract Number</u>	<u>Amount Carried Forward to FY August 31, 2015</u>	<u>Amount Brought Forward From FY August 31, 2013</u>
A-13-031	\$ -	\$ 75,000

COMPLIANCE SECTION

**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***

The Honorable County Judge and
County Commissioners' Court
Cameron County Juvenile Board
Cameron 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 Cameron County Juvenile Probation Department, and have issued our report thereon dated January 15, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cameron County Juvenile Probation 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 Cameron County Juvenile Probation Department's internal control. Accordingly, we do not express an opinion on the effectiveness of Cameron 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 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 Cameron 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 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 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.

A handwritten signature in cursive script that reads "Long Chilton LLP".

Brownsville, Texas
January 15, 2015

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January 15, 2015

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AUDITORS

To the Management of
Cameron County Juvenile Probation Department
Brownsville, Texas 78520

We have audited the financial statements of Cameron County Juvenile Probation Department, Texas Juvenile Justice Department grant funds for the year ended August 31, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 19, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Cameron County Juvenile Probation Department are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting the Cameron County Juvenile Probation Department's financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting and reporting prescribed by the Texas Juvenile Justice Department, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the board of directors and management of Cameron County Juvenile Probation Department and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Long Chilton LLP". The signature is written in dark ink and is positioned above the printed name of the firm.

LONG CHILTON, LLP

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 15, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

