

SINGLE AUDIT REPORTS

BURLESON COUNTY, TEXAS

For the Year Ended
September 30, 2011

BURLESON COUNTY, TEXAS

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For the Year Ended September 30, 2011

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INDEPENDENT AUDITORS' 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*

March 30, 2012

To the Honorable County Judge and
Members of the Commissioners' Court of
Burlleson County, Texas:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Burlleson County, Texas (the "County"), as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 30, 2012. We conducted our audit in accordance with generally accepted auditing standards 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 the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs, items 2011-1, to be a material weakness.

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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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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 did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the County in a separate letter dated March 30, 2012.

This report is intended solely for the information and use of management, the Commissioners' Court, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 30, 2012



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133, AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

March 30, 2012

To the Honorable County Judge and
Members of the Commissioners' Court of
Burleson County, Texas:

Compliance

We have audited the compliance of the Burleson County, Texas (the "County"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended September 30, 2011, and have issued our report thereon dated March 30, 2012, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. OMB Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the Commissioners Court, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 30, 2012

BURLESON COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended September 30, 2011

No prior findings.

BURLESON COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Burleson County, Texas.
2. A material weakness in internal control was disclosed by the audit of the financial statements.
3. No instances of noncompliance material to the basic financial statements were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the County are reported in Part C of this schedule.
7. The programs included as major programs included:

Community Development Block Grant (CDBG)	<u>CFDA number</u> 14.218
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8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The County did not classify as a low-risk auditee in the context of OMB Circular A-133.

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT

Material Weakness:

2011-1. CITATION BILLING

Criteria

Each Judicial Precinct is responsible for accounting and documenting fines paid by offenders.

Condition

During testing of citations, the Judicial Precincts two and four of the County were unable to provide adequate support to document fines paid by offenders. The County was also unable to provide support to give information as to when payments for fines were received.

Effect

The Judicial Precincts two and four are unable to accurately account for outstanding receivables of these precincts.

BURLESON COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the year ended September 30, 2011

Cause

The County did not maintain records of transactions of fines paid.

Recommendation

The County should develop a better process and system to adequately document fines and when payments are received and deposited for each citation.

C. FINDING – FEDERAL AWARDS

None

BURLESON COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2011

Grantor/Program Title	CFDA Number	Grant/Contract Number	Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Pass-through Texas Department of Rural Affairs</i>			
Community Development Block Grant	14.218	DRS010019	\$ 477,034
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>477,034</u>
FEDERAL ELECTIONS COMMISSIONS			
<i>Pass-through Texas Secretary of State</i>			
Help America Vote Act	90.401	78501	\$ 12,429
TOTAL FEDERAL ELECTIONS COMMISSIONS			<u>12,429</u>
DEPARTMENT OF HOMELAND SECURITY			
<i>Pass-through Texas Division of Emergency Management</i>			
State of Homeland Security Program	97.073	09-SR 48051-02	31,839
TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>31,839</u>
DEPARTMENT OF JUSTICE			
<i>Pass-through Texas Criminal Justice Department</i>			
Violence Against Women Formula Grant	16.588	EF-09-V30-22904	24,436
TOTAL DEPARTMENT OF JUSTICE			<u>24,436</u>
DEPARTMENT OF ENERGY			
<i>Pass-through Comptroller of Accounts</i>			
Energy Efficiency and Conservation Block Grant Program	81.128	DE-EE0000893	40,752
TOTAL DEPARTMENT OF ENERGY			<u>40,752</u>
TOTAL FEDERAL AWARDS EXPENDED			<u><u>\$ 586,490</u></u>

BURLESON COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES

OF FEDERAL AWARDS

For the Year Ended September 30, 2011

1. REPORTING ENTITY

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Burleson County, Texas.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.