

**RANDALL COUNTY
JUVENILE PROBATION
DEPARTMENT**

ANNUAL FINANCIAL REPORT

**For Year Ended
August 31, 2012**

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
ANNUAL FINANCIAL REPORT
FOR YEAR ENDED AUGUST 31, 2012**

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PART I

INTRODUCTORY SECTION

RANDALL COUNTY JUVENILE PROBATION DEPARTMENT

**PRINCIPAL OFFICIALS OF THE
JUVENILE BOARD AND DEPARTMENT**

AUGUST 31, 2012

Dan Schaap	District Judge, 47 th District Court
John Board	District Judge, 181 st District Court
Ana Estevez	District Judge, 251 st District Court
Ernie Houdashell	County Judge
James Anderson	Judge, County Court-at-Law 1
Ronnie Walker	Judge, County Court-at-Law 2
Jane King	Chief Probation Officer
Karon Kantor	Fiscal Officer

PART II
FINANCIAL SECTION



Honorable Judge Anderson, Chairman
Randall County Juvenile Board
Canyon, Texas

INDEPENDENT AUDITORS' REPORT

We have audited the statement of revenues, expenditures and changes in fund balance by contract – budget and actual (regulatory basis) for the year ended August 31, 2012 of the Randall County Juvenile Probation Department, Texas Juvenile Justice Department Grant Funds. This statement is the responsibility of the Department'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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we express no such opinion. 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 opinion.

As discussed more fully in Note 1, the Randall County Juvenile Probation Department 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 Department's Texas Juvenile Justice Department Grant Funds only and is not intended to present fairly the results of operations of the Department 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 Department'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 October 31, 2012, 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* 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 Randall 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 those specified parties.

DOSHIER, PICKENS & FRANCIS, L.L.C.

DOSHIER, PICKENS & FRANCIS, LLC
October 31, 2012

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

**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***

We have audited the statement of revenues, expenditures and changes in fund balance by contract – budget and actual (regulatory basis) of the Randall County Juvenile Probation Department, Texas Juvenile Justice Department Grant Funds for the year ended August 31, 2012, and have issued our report thereon dated October 31, 2012. 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 the Randall County Probation Department’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 Department’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department’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 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 Randall County Juvenile Probation Department’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, progressive sanctions, salary adjustment, and IV-E assurances, 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. Compliance with laws, regulations, contracts, grants and requirements of the Texas Juvenile Justice Department Audit Requirements is the responsibility of the management of the Department. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management of the Randall County Juvenile 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.

DOSHIER, PICKENS & FRANCIS, L.L.C.

DOSHIER, PICKENS & FRANCIS, LLC
October 31, 2012

**RANDALL 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, 2012

	GRANT A-12-191			GRANT C-12-191		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Commission funds	\$ 956,842	\$ 956,842	\$ -	\$ 61,606	\$ 61,606	\$ -
Total Revenues	<u>956,842</u>	<u>956,842</u>	<u>-</u>	<u>61,606</u>	<u>61,606</u>	<u>-</u>
EXPENDITURES						
Salaries and fringe benefits	426,203	426,203	-	-	-	-
Travel	23,203	23,203	-	-	-	-
Operating expenditures	39,506	39,506	-	-	-	-
Nonresidential services	48,237	48,237	-	52,889	52,889	-
Residential services	419,693	419,693	-	8,717	8,717	-
Total Expenditures	<u>956,842</u>	<u>956,842</u>	<u>-</u>	<u>61,606</u>	<u>61,606</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADDITIONAL INFORMATION:

Extension Granted from TJJD
Through November 30, 2012

GRANT M-12-191			GRANT S-12-191				
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	E-11-191	E-12-191
\$ 55,711	\$ 55,711	\$ -	\$ 4,918	\$ 4,918	\$ -	\$ -	\$ 17,147
55,711	55,711	-	4,918	4,918	-	-	17,147
51,911	51,911	-	-	-	-	118,186	-
3,800	3,800	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	4,918	2,166	2,752	-	-
-	-	-	-	-	-	26,813	-
55,711	55,711	-	4,918	2,166	2,752.00	144,999	-
-	-	-	-	2,752	2,752	(144,999)	17,147
-	-	-	-	-	-	292,398	147,399
\$ -	\$ -	\$ -	\$ -	\$ 2,752	\$ 2,752	\$ 147,399	\$ 164,546

\$ 2,752

The accompanying notes are an integral part of this financial statement.

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO FINANCIAL STATEMENT
AUGUST 31, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Randall County Juvenile Probation Department (the Department) conform to accounting principles generally accepted in the United States of America as applicable to governments, except as noted as to basis of accounting. The following is a summary of these significant policies:

A. SCOPE OF THE REPORTING ENTITY

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

The Funds provide separate accountability as required under the State Financial Assistance Contract, by the TJJJ. 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 TJJJ, 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 were maintained in an interest bearing account. The reconciliation of accrued interest earned on funds received from TJJJ is as follows:

<u>Accrued Interest:</u>	<u>Interest earned TJJJ Funds FY 2012</u>	<u>Interest earned Title IV-E Funds FY 2012</u>	<u>Total Interest</u>
Beginning balance, September 1, 2011	\$ -	\$ 187,780	\$ 187,780
Interest accrued on funds received from the period of 09/01/11 - 08/31/12	-	431	431
Total Accrued Interest at August 31, 2012	-	188,211	188,211
Minus interest expenditures FY 2012	-	-	-
Ending Balance, August 31, 2012	<u>\$ -</u>	<u>\$ 188,211</u>	<u>\$ 188,211</u>

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO FINANCIAL STATEMENT
AUGUST 31, 2012**

NOTE 3 – OPERATING COSTS FOR SECURED JUVENILE FACILITIES

The Department operates one secure juvenile facility, Youth Center of the High Plains, which is both a pre-adjudication and post-adjudication facility. The schedule of expenditures for the facility is as follows:

**Operating Costs
Youth Center of the High Plains
Pre-Adjudication
For the Year Ended August 31, 2012**

	TJJD Funding	Local Funding	Total
Salary Related Expenditures	\$ -	\$ 1,584,533	\$ 1,584,533
Student Related Expenditures	-	145,550	145,550
Facility Expenditures	-	137,729	137,729
Total Operating Expenditures	\$ -	\$ 1,867,812	\$ 1,867,812

**Operating Costs
Youth Center of the High Plains
Post-Adjudication
For the Year Ended August 31, 2012**

	TJJD Funding	Local Funding	Total
Salary Related Expenditures	\$ 60,389	\$ 1,697,975	\$ 1,758,364
Student Related Expenditures	5,547	155,970	161,517
Facility Expenditures	5,249	147,589	152,838
Total Operating Expenditures	\$ 71,185	\$ 2,001,534	\$ 2,072,719

The \$71,185 under TJJD Funding in the post-adjudication operating costs of the Youth Center of the High Plains is included in the \$419,693 of residential services under Grant A-12-191.

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO FINANCIAL STATEMENT
AUGUST 31, 2012**

NOTE 4 – OPERATING COSTS FOR NON-SECURED JUVENILE FACILITIES

The Department operates one non-secure juvenile facility, Next Step House, which is a post-adjudication facility. The schedule of expenditures for the facility is as follows:

**Operating Costs
Next Step House
Post-Adjudication
For the Year Ended August 31, 2012**

	TJJJ Funding	Local Funding	Total
Salary Related Expenditures	\$ 43,565	\$ 213,091	\$ 256,656
Student Related Expenditures	4,295	21,009	25,304
Facility Expenditures	7,423	36,308	43,731
 Total Operating Expenditures	 \$ 55,283	 \$ 270,408	 \$ 325,691

The \$55,283 under TJJJ Funding in the post-adjudication operating costs of the Next Step House is included in the \$426,203 of salaries and fringe benefits under Grant A-12-191.

NOTE 5 – 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). TJJJ disburses funds to Randall County on a cost reimbursement basis. A confirmation of revenue receipted in the year ending August 31, 2012 is required and presented below. This includes receipts for direct and enhanced administrative foster care claims.

Title IV-E Federal Receipts Contract Number	Amounts Received (Cash Basis) August 31, 2012
E-11-191	593
E-12-191	\$ 16,554
	\$ 17,147

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO FINANCIAL STATEMENT
AUGUST 31, 2012**

NOTE 6 – 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 ended August 31, 2012 is required and presented below:

	Local Funding Expended (less construction and capital outlay)
FY 2012	\$ 3,087,569
FY 2006	2,568,288

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2012**

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

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2012**

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