

**RANDALL COUNTY
JUVENILE PROBATION
DEPARTMENT**

ANNUAL FINANCIAL REPORT

**For Fiscal Year Ended
August 31, 2006**

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED AUGUST 31, 2006**

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	3
COMBINED FUND FINANCIAL STATEMENTS	
Statement of Revenues, Expenditures and Changes in Fund Balance - Regulatory Basis	4
NOTES TO FINANCIAL STATEMENTS.....	6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	10



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

INDEPENDENT AUDITORS' REPORT

We have audited the statement of revenues, expenditures and changes in fund balance – budget and actual-regulatory basis for the year ended August 31, 2006 of the Randall County Juvenile Probation Department, Texas Juvenile Probation Commission Grant Funds. This statement is the responsibility of the management of the Randall County Juvenile Probation Department's management. Our responsibility is to express an opinion on this 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 opinions.

As discussed in Note 1, the financial statement was prepared on the same basis of accounting used for reporting to the Texas Juvenile Probation Commission, 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 TJPC 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 present fairly, in all material respects, the results of operations of the Department's TJPC Grant Funds for the year ended August 31, 2006 in conformity with the basis of accounting described in the notes.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2006 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 the Randall County Juvenile Board and for filing with the Texas Juvenile Probation Commission and it is not intended to be and should not be used by anyone other than those specified parties.

DOSHIER, PICKENS & FRANCIS, P.C.

DOSHIER, PICKENS & FRANCIS, P.C.

November 28, 2006



DOSHIER, PICKENS & FRANCIS, PC

CERTIFIED PUBLIC ACCOUNTANTS

301 S. Polk, Suite 800
Amarillo, TX 79105-5938
Fax: 806.376.8126

P.O. Box 9938
806.373.3011
www.dpfcpa.com

To The Members of the Juvenile Board
of 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 – budget and actual-regulatory basis for the year ended August 31, 2006 of the Randall County Juvenile Probation Department, Texas Juvenile Probation Commission Grant Funds, and have issued our report thereon dated November 28, 2006. 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 Juvenile Probation Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one of more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Randall County Juvenile Probation Department's financial statement is 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, JJAEP, 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 Probation Commission Audit Requirements* is the responsibility the management of the County. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and *Texas Juvenile Probation Commission Audit Requirements*.

This report is intended solely for the information of the Randall County Juvenile Board, Randall County and the Texas Juvenile Probation Commission and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Doshier, Pickens & Francis, P.C.

DOSHIER, PICKENS & FRANCIS, P.C.
November 28, 2006

CONTRACT TJPC-G-06-191			CONTRACT TJPC-M-06-191			CONTRACT TJPC-O-06-191		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 32,893	\$ 32,893	\$ -	\$ 55,711	\$ 55,711	\$ -	\$ 26,502	\$ 26,502	\$ -
<u>32,893</u>	<u>32,893</u>	<u>-</u>	<u>55,711</u>	<u>55,711</u>	<u>-</u>	<u>26,502</u>	<u>26,502</u>	<u>-</u>
32,893	32,893	-	53,111	54,533	(1,422)	26,502	26,502	-
-	-	-	2,000	918	1,082	-	-	-
-	-	-	600	260	340	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>32,893</u>	<u>32,893</u>	<u>-</u>	<u>55,711</u>	<u>55,711</u>	<u>-</u>	<u>26,502</u>	<u>26,502</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CONTRACT TJPC-Z-06-191			COMBINED TOTAL		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 109,725	\$ 109,725	\$ -	\$ 601,673	\$ 658,559	\$ 56,886
<u>109,725</u>	<u>109,725</u>	<u>-</u>	<u>601,673</u>	<u>658,559</u>	<u>56,886</u>
109,725	109,725	-	392,486	387,621	4,865
-	-	-	29,100	27,045	2,055
-	-	-	17,600	16,196	1,404
-	-	-	30,225	32,383	(2,158)
-	-	-	132,262	195,314	(63,052)
<u>109,725</u>	<u>109,725</u>	<u>-</u>	<u>601,673</u>	<u>658,559</u>	<u>(56,886)</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ENTITY

The Texas Juvenile Probation Commission Grant Funds of Randall County, Texas were established to account for juvenile probation services funded by the Texas Juvenile Probation Commission in Randall County, Texas.

The Funds provide separate accountability as required under the State Financial Assistance Contract, by the Texas Juvenile Probation Commission. The funds are used to account for each separate program, matching funds and all related expenditures incurred.

B. BASIS OF ACCOUNTING

The combined financial statements are reported with the accrual basis or regulatory basis of accounting, in accordance with the Governmental Accounting Standards, a comprehensive basis of accounting other than generally accepted accounting principles.

NOTE 2 - RECONCILIATION OF ACCRUED INTEREST

Interest accrued on funds received from the Commission should be reported as generated income. A separate column should be included to disclose interest earned on Title IV-E Program funds.

<u>Accrued Interest:</u>	Interest earned Title IV-E Funds	Interest earned Commission Funds	Total Interest
Beginning balance, September 1, 2005	\$ 66,029	\$ 3,042	\$ 69,071
Interest accrued on funds received from the period of 09/01/05-08/31/06	<u>25,739</u>	<u>-</u>	<u>25,739</u>
Total Accrued Interest at August 31, 2006	91,768	3,042	94,810
Minus interest expenditures FY 2006	<u>-</u>	<u>(3,042)</u>	<u>(3,042)</u>
Ending Balance, August 31, 2006	<u>\$ 91,768</u>	<u>\$ -</u>	<u>\$ 91,768</u>

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2006**

NOTE 3 - OPERATING COSTS FOR SECURED JUVENILE FACILITIES

A separate expenditure schedule should be provided for each secure facility registered with the Commission. In a facility with non-secure and secure capacity, an allocation based on beds can be used. Include funding from the Commission grants and reimbursement program funds. The use of Title IV-E funds for secure placement is prohibited.

The categories of expenses should be utilized as follows:

Salary related expenses- Include any salary and fringe benefits paid to employees of the facility, or a portion of salary and fringe that is allocated based on time dedicated to facility operation.

Student related expenses- Include all expenses paid by the facility administration that will directly benefit a juvenile. Some examples are food, clothing and medical services and supplies.

Facility related expenses- Include operating expenses such as utilities, building maintenance cost, office supplies and equipment, registration fees for staff training and expenses not directly related to juveniles.

Capital expenditures- Include expenditure over \$5,000 that have a useful life of more than one year or improve an existing capital item by 25% of the original cost or remaining life.

The following disclosure is supplemental information included in this audit to support registration of the secure facility with the Commission for Randall County, Texas.

**Youth Center of the High Plains
Pre Adjudication
For the Year Ending August 31, 2006**

	Commission Funding	Local Funding	Total
Salary Related Expenditures	\$ -	\$ 1,192,471	\$ 1,192,471
Student Related Expenditures	-	87,380	87,380
Facility Expenditures	-	102,574	102,574
Total Operating Expenditures	\$ -	\$ 1,382,425	\$ 1,382,425

**Youth Center of the High Plains
Post Adjudication
For the Year Ending August 31, 2006**

	Commission Funding	Local Funding	Total
Salary Related Expenditures	\$ 61,404	\$ 1,084,303	\$ 1,145,707
Student Related Expenditures	4,499	79,454	83,953
Facility Expenditures	5,282	93,269	98,551
Total Operating Expenditures	\$ 71,185	\$ 1,257,026	\$ 1,328,211

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2006**

NOTE 3 - OPERATING COSTS FOR SECURED JUVENILE FACILITIES (continued)

**Next Step
Post Adjudication
For the Year Ending August 31, 2006**

	Commission Funding	Local Funding	Total
Salary Related Expenditures	\$ 46,187	\$ 159,186	\$ 205,373
Student Related Expenditures	3,973	13,694	17,667
Facility Expenditures	6,726	23,182	29,908
Total Operating Expenditures	\$ 56,886	\$ 196,062	\$ 252,948

NOTE 4 - FEDERAL FINANCIAL ASSISTANCE

The Texas Juvenile Probation Commission administers, along with the Texas Department of Family and Protective Services, the Title IV-E Program (CFDA 93.658). The Commission disburses funds to Randall County, Texas on a cost reimbursement basis. A confirmation of revenue received in the year ending August 31, 2006 is required and presented below. This includes receipts for direct and enhanced administrative foster care claims.

Title IV-E Federal Receipts Contract Number	(Cash Basis) FYE August 31, 2006
E-05-191	\$ 77,817
E-06-191	90,610
	\$ 168,427

NOTE 5 - PROGRESSIVE SANCTIONS OFFICERS

The following shows funding awarded to Randall County, Texas for the Progressive Sanctions Officers, in fiscal years 1996 – 1999, expenditures and any unexpended balance. Total positions by award are listed within the State Financial Assistance Contract under 4.1.1.4 for (Grant “F”) Progressive Sanctions JPO and 4.1.1.7 for (Grant “O”) Progressive Sanctions ISJPO. Funds that become available during the term of the State Financial Assistance Contract due to vacant Progressive Sanctions positions shall be returned to the Commission at the end of the State Financial Assistance Contract term.

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2006**

NOTE 5 - PROGRESSIVE SANCTIONS OFFICERS (continued)

<u>Contract</u>	<u>Awarded Funding</u>	<u>Expenditures</u>	<u>Unexpended Balance</u>
Grant F- FY 2006			
Progressive Sanctions JPO			
Basic PSO FY 98-99 \$27,567	\$ 27,567	\$ 27,567	\$ -
Basic PSO FY 96-97 \$22,179	66,537	66,537	-
Grant O- FY 2006			
Progressive Sanctions ISJPO			
ISP PSO FY 98-99 \$27,240	-	-	-
ISP PSO FY 96-97 \$26,502	26,502	26,502	-
Total	\$ 120,606	\$ 120,606	\$ -

NOTE 6 – SALARY ADJUSTMENT

Funding for the Salary Adjustment, Z- FY 2006 is clearly restricted. Assurance testing is based on the following contract assurance.

G. Financial Assurances

- The grant funds made available for salary adjustments under Article IV of this grant were used only to provide salary adjustments not exceeding \$3,000 for eligible full-time certified juvenile probation officers and \$1,500 for eligible full-time certified juvenile detention officers including fringe benefits. All funds not used for this purpose were returned to the Commission in accordance with the Unexpended Balances and Refunds Due provision of the General Grant requirements.

Total Population	17	Certified Juvenile Probation Officers
	49	Detention and Correction Officers
Sample Size	5	Certified Juvenile Probation Officers
	10	Detention and Correction Officers

Fifteen positions tested for compliance with the contract assurance were correctly certified and paid.

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2006**

PROGRAM	FINDING NON-COMPLIANCE	QUESTIONED COSTS
-	-	-