

**RANDALL COUNTY
JUVENILE PROBATION
DEPARTMENT**

ANNUAL FINANCIAL REPORT

**For Year Ended
August 31, 2017**

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
ANNUAL FINANCIAL REPORT
FOR YEAR ENDED AUGUST 31, 2017**

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PART I

INTRODUCTORY SECTION

RANDALL COUNTY JUVENILE PROBATION DEPARTMENT

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

AUGUST 31, 2017

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
C. Joe Barton III, Ph.D.	Chief Probation Officer
Karon Kantor	Fiscal Officer

PART II
FINANCIAL SECTION



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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the Texas Juvenile Justice Department Grant Funds of the Randall County, Texas Juvenile Probation Department (Department), which comprise the statement of revenues, expenditures and changes in fund balances – budget and actual – regulatory basis for the year ended August 31, 2017, and the related notes to the financial statement.

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.

Auditors' 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 auditors' 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 Department'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 Department'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 presents 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, 2017, 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 that 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 the 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 October 17, 2017, 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 of the Department's Juvenile Board, the County, and 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 17, 2017



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, 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 the Randall County, Texas Juvenile Probation Department, and have issued our report thereon dated October 17, 2017.

Internal Control over Financial Reporting

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

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

DOSHIER, PICKENS & FRANCIS, LLC

October 17, 2017

**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, 2017

	GRANT A-17-191			GRANT M-17-191		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
REVENUES:						
TJJJ funds	\$ 841,477	\$ 841,477	\$ -	\$ 55,711	\$ 55,711	\$ -
Interest	-	-	-	-	-	-
Total Revenues	<u>841,477</u>	<u>841,477</u>	<u>-</u>	<u>55,711</u>	<u>55,711</u>	<u>-</u>
EXPENDITURES:						
Basic Probation Services	158,867	158,867	-	-	-	-
Community Programs	95,201	95,201	-	55,711	55,711	-
Pre & Post Adjudications	303,635	303,635	-	-	-	-
Commitment Diversion	35,739	35,739	-	-	-	-
Mental Health Services	248,035	248,035	-	-	-	-
Prevention and Intervention Region	-	-	-	-	-	-
Total Expenditures	<u>841,477</u>	<u>841,477</u>	<u>-</u>	<u>55,711</u>	<u>55,711</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:

Refunds Paid to TJJJ
on 12/13/2016

GRANT R-17-191			GRANT S-17-191		
Final Budget	Actual	Variance	Final Budget	Actual	Variance
\$ 13,532	\$ 13,432	\$ 100	\$ 9,834	\$ 9,834	\$ -
-	-	-	-	-	-
<u>13,532</u>	<u>13,432</u>	<u>100</u>	<u>9,834</u>	<u>9,834</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	9,834	9,834	-
<u>13,532</u>	<u>13,432</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>13,532</u>	<u>13,432</u>	<u>100</u>	<u>9,834</u>	<u>9,834</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 100</u>				

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

RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO FINANCIAL STATEMENT
AUGUST 31, 2017

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. 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 (TJJD) in Randall County, Texas.

The Funds provide separate accountability as required under the State Financial Assistance Contract, by the 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.

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO FINANCIAL STATEMENT
AUGUST 31, 2017**

NOTE 2 – RECONCILIATION OF INTEREST EARNED

Idle funds were maintained in an interest bearing account. The reconciliation of accrued interest earned on funds received from TJJD is as follows:

	Interest earned TJJD Funds FY 2017	Interest earned Title IV-E Funds FY 2017	Total Interest
	<u> </u>	<u> </u>	<u> </u>
Beginning balance, September 1, 2016	\$ -	\$ 37,401	\$ 37,401
Interest accrued on funds received from the period of 09/01/16 - 08/31/17	<u>-</u>	<u>1,496</u>	<u>1,496</u>
Total Interest at August 31, 2017	-	38,897	38,897
Minus interest expenditures FY 2017	<u>-</u>	<u>(38,897)</u>	<u>(38,897)</u>
Ending Balance, August 31, 2017	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO FINANCIAL STATEMENT
AUGUST 31, 2017**

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, 2017**

	TJJD Funding	Local Funding	Total
Salary and fringe	\$ -	\$ 2,579,948	\$ 2,579,948
Travel and training	-	145,525	145,525
Operating expenses	-	163,324	163,324
Inter-County contracts	-	-	-
External contracts	-	-	-
	<hr/>	<hr/>	<hr/>
Total Operating Expenditures	<u>\$ -</u>	<u>\$ 2,888,797</u>	<u>\$ 2,888,797</u>

**Operating Costs
Youth Center of the High Plains
Post-Adjudication
For the Year Ended August 31, 2017**

	TJJD Funding	Local Funding	Total
Salary and fringe	\$ 63,574	\$ 2,168,915	\$ 2,232,489
Travel and training	-	-	-
Operating expenses	7,611	259,645	267,256
Inter-County contracts	-	-	-
External contracts	-	-	-
	<hr/>	<hr/>	<hr/>
Total Operating Expenditures	<u>\$ 71,185</u>	<u>\$ 2,428,560</u>	<u>\$ 2,499,745</u>

TJJD Funding is provided from Grant A-17-191 – \$71,185.

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO FINANCIAL STATEMENT
AUGUST 31, 2017**

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, 2017**

	TJJD Funding	Local Funding	Total
Salary and fringe	\$ -	\$ 19	\$ 19
Travel and training	-	-	-
Operating expenses	-	8,784	8,784
Inter-County contracts	-	-	-
External contracts	-	-	-
Total Operating Expenditures	\$ -	\$ 8,803	\$ 8,803

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). TJJD disburses funds to Randall County on a cost reimbursement basis. A confirmation of revenue received in the year ending August 31, 2017 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, 2017
E-17-191	\$ 60,673

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO FINANCIAL STATEMENT
AUGUST 31, 2017**

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, 2017 is required and presented below:

	<u>Local Funding Expended (less construction and capital outlay)</u>
FY 2017	\$ 4,348,325
FY 2006	2,568,288

The Juvenile Probation Department certified the financial match requirements were fulfilled in FY 2017.

NOTE 7 – STATE FINANCIAL ASSISTANCE

The Texas Juvenile Justice Department provided the County with the following funds for the Grant R – Regional Diversion Alternative (RDA) Program Reimbursement Grant funds. A confirmation of revenue received in the year ending August 31, 2017 is required and presented below.

<u>Contract Number</u>	<u>Amounts Received (Cash Basis) August 31, 2017</u>
R-2017-191	\$ 13,432

**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2017**

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

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**RANDALL COUNTY JUVENILE PROBATION DEPARTMENT
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2017**

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