

**COLLIN COUNTY
JUVENILE PROBATION DEPARTMENT**

FINANCIAL AND COMPLIANCE AUDIT REPORTS

**FOR THE YEAR ENDED
AUGUST 31, 2006**

**GRANT TJPC-A-06-043
GRANT TJPC-F-06-043
GRANT TJPC-G-06-043
GRANT TJPC-O-06-043
GRANT TJPC-P-06-043
GRANT TJPC-Y-06-043
GRANT TJPC-Z-06-043**

**COLLIN COUNTY JUVENILE PROBATION DEPARTMENT
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS**

FOR THE YEAR ENDED AUGUST 31, 2006

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditors' Report	1 – 2
 FINANCIAL SECTION	
Statement of Revenue, Expenditures and Changes in Fund Balance by Contract – Budget and Actual – Regulatory Basis	3 – 8
Notes to Financial Statements	9 – 11
 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	12 – 13
Schedule of Findings and Questioned Costs	14
Schedule of Prior Year Findings and Questioned Costs	15

INDEPENDENT AUDITORS' REPORT

Collin County, Texas
Juvenile Probation Department
McKinney, Texas

We have audited the statement of revenue, expenditures and changes in fund balance – budget and actual – regulatory basis for the year ended August 31, 2006, of the Collin County Juvenile Probation Department, Texas Juvenile Probation Commission Grant Funds. This statement is the responsibility of the management of the Collin County Juvenile Probation Department. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with government 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 described 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 generally accepted accounting principles in the United States of America.

As discussed in Note 1, the financial statement presents the results of operations of the Texas Juvenile Probation Commission Grant Funds only and is not intended to present fairly the results of its operations of Collin County, Texas, in conformity with accounting standards generally accepted in the United States of America.

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the results of operations of the Collin County Juvenile Probation Department for the year then ended August 31, 2006, in conformity with the basis of accounting as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2007, on our consideration of the Department's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of 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 Collin County, Texas, Juvenile Board and for filing with the Texas Juvenile Probation Commission and is not intended to be and should not be used by anyone other than these specified parties.

Pattillo, Brown & Hill, L.L.P.

February 9, 2007

FINANCIAL SECTION

**COLLIN COUNTY JUVENILE PROBATION DEPARTMENT
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS**

**STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE BY CONTRACT
BUDGET AND ACTUAL - REGULATORY BASIS**

FOR THE YEAR ENDED AUGUST 31, 2006

	A-06-043		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
Intergovernmental:			
TJPC	\$ 362,567	\$ 362,567	\$ -
Total Revenue	<u>362,567</u>	<u>362,567</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	362,567	362,567	-
Non-residential services	-	-	-
Total Expenditures	<u>362,567</u>	<u>362,567</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	-	-
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

F-06-043			G-06-043		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 171,417	\$ 171,417	\$ -	\$ 74,438	\$ 74,438	\$ -
<u>171,417</u>	<u>171,417</u>	<u>-</u>	<u>74,438</u>	<u>74,438</u>	<u>-</u>
171,417	171,417	-	74,438	74,438	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>171,417</u>	<u>171,417</u>	<u>-</u>	<u>74,438</u>	<u>74,438</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

(continued)

**COLLIN COUNTY JUVENILE PROBATION DEPARTMENT
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS**

**STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE BY CONTRACT
BUDGET AND ACTUAL - REGULATORY BASIS**

(Continued)

FOR THE YEAR ENDED AUGUST 31, 2006

	O-06-043		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUE			
Intergovernmental:			
TJPC	\$ 26,502	\$ 26,502	\$ -
Total Revenue	<u>26,502</u>	<u>26,502</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	26,502	26,502	-
Non-residential services	-	-	-
Total Expenditures	<u>26,502</u>	<u>26,502</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	-	-
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

P-06-043			Y-06-043		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 126,909	\$ 126,909	\$ -	\$ 670,806	\$ 670,806	\$ -
<u>126,909</u>	<u>126,909</u>	<u>-</u>	<u>670,806</u>	<u>670,806</u>	<u>-</u>
-	-	-	670,806	670,806	-
<u>126,909</u>	<u>126,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>126,909</u>	<u>126,909</u>	<u>-</u>	<u>670,806</u>	<u>670,806</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**COLLIN COUNTY JUVENILE PROBATION DEPARTMENT
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS**

**STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE BY CONTRACT
BUDGET AND ACTUAL - REGULATORY BASIS**

(Continued)

FOR THE YEAR ENDED AUGUST 31, 2006

	Z-06-043		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
Intergovernmental:			
TJPC	\$ 163,875	\$ 163,875	\$ -
Total Revenue	<u>163,875</u>	<u>163,875</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	163,875	163,875	-
Non-residential services	-	-	-
Total Expenditures	<u>163,875</u>	<u>163,875</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	-	-
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Combined Total

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 1,596,514	\$ 1,596,514	\$ -
<u>1,596,514</u>	<u>1,596,514</u>	<u>-</u>
1,469,605	1,469,605	-
<u>126,909</u>	<u>126,909</u>	<u>-</u>
<u>1,596,514</u>	<u>1,596,514</u>	<u>-</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COLLIN COUNTY JUVENILE PROBATION DEPARTMENT
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Entity

The Texas Juvenile Probation Commission Grant Funds of Collin County (the "Funds") were established to account for juvenile probation services funded by the Texas Juvenile Probation Commission in Collin 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.

Basis of Accounting

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

2. RECONCILIATION OF ACCRUED INTEREST

Interest accrued on funds received from the Commission shall be considered generated income and shall be reported to the Commission as such.

	Interest Earned Commission Funds Fiscal Year 2006	Interest Earned Title IV-E Funds Fiscal Year 2006	Total
	<u>2006</u>	<u>2006</u>	<u>Total</u>
Accrued Interest:			
Beginning balance, September 1, 2005	\$ -	\$ -	\$ -
Interest accrued on funds received from TJPC in the period of September 1 - August 31, 2006	<u>15,846</u>	<u>2,348</u>	<u>18,194</u>
Total accrued interest at August 31, 2006	15,846	2,348	18,194
Minus expenditures in fiscal year 2006	<u>(15,846)</u>	<u>(2,348)</u>	<u>(18,194)</u>
Ending balance, August 31, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

3. OPERATING COSTS FOR A SECURE JUVENILE FACILITY OPERATED BY COLLIN COUNTY

Operating Costs
Collin County Pre Adjudication Juvenile Facility
Ended August 31, 2006

	<u>Commission Funding</u>	<u>Local Funding</u>	<u>Total</u>
Salary related expenses	\$ 75,576	\$ 2,110,749	\$ 2,186,325
Student related expenses	-	198,709	198,709
Facility expenses	-	<u>37,445</u>	<u>37,445</u>
 Total Operating Expenditures	 <u>\$ 75,576</u>	 <u>\$ 2,346,903</u>	 <u>\$ 2,422,479</u>

Operating Costs
Collin County Post Adjudication Juvenile Facility
Ended August 31, 2006

	<u>Commission Funding</u>	<u>Local Funding</u>	<u>Total</u>
Salary related expenses	\$ 75,576	\$ 2,110,749	\$ 2,186,325
Student related expenses	269,560	198,709	468,269
Facility expenses	<u>-</u>	<u>37,445</u>	<u>37,445</u>
 Total Operating Expenditures	 <u>\$ 345,136</u>	 <u>\$ 2,346,903</u>	 <u>\$ 2,692,039</u>

4. FEDERAL FINANCIAL ASSISTANCE

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

<u>Title IV-E Foster Care Contract Number</u>	<u>Amount Received (Cash Basis) August 31, 2006</u>
E-05-043	\$ 156,430
E-06-043	<u>56,017</u>
 Total	 <u>\$ 212,447</u>

5. PROGRESSIVE SANCTIONS OFFICERS

The following shows funding awarded to Collin County Juvenile Probation Department 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.

<u>Contract</u>	<u>Awarded Funding</u>	<u>Expenditures</u>	<u>Unexpended Balance</u>
Grant F-FY2006			
Progressive Sanctions JPO			
B. Basic PSO FY 98-99	\$ 88,716	\$ 88,716	\$ -
C. Basic PSO FY 96-97	82,701	82,701	-
Grant O-FY2006			
Progressive Sanctions ISJPO			
B. ISP PSO 98-99	-	-	-
C. ISP PSO 96-97	<u>26,502</u>	<u>26,502</u>	<u>-</u>
Total	<u>\$ 197,919</u>	<u>\$ 197,919</u>	<u>\$ -</u>

6. SALARY ADJUSTMENT

Results of the salary adjustment compliance testing for the year ended August 31, 2006, are as follows:

Total Population:	58 Certified Juvenile Probation Officers 40 Detention and Correction Officers
Sample Size:	58 Certified Juvenile Probation Officers 40 Detention and Correction Officers

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

COMPLIANCE SECTION



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**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**

Collin County, Texas
Juvenile Probation Department
McKinney, Texas

We have audited the financial statement of the Collin County Juvenile Probation Department Texas Juvenile Probation Commission Grant Funds for the year ended August 31, 2006, and have issued our report thereon dated February 9, 2007. 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 Collin 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 or 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 Collin 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, 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 of 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 *Government Auditing Standards* and Texas Juvenile Probation Commission Audit Requirements.

This report is intended solely for the information of the audit committee, management, and the Texas Juvenile Probation Commission and is not intended to be and should not be used by anyone other than those specified parties.

Pattillo, Brown & Hill, L.L.P.

February 9, 2007

**COLLIN COUNTY JUVENILE PROBATION DEPARTMENT
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2006

Findings:

None

**COLLIN COUNTY JUVENILE PROBATION DEPARTMENT
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS**

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2006

None