

**COLLIN COUNTY  
JUVENILE PROBATION DEPARTMENT**

**FINANCIAL AND COMPLIANCE AUDIT REPORTS**

**FOR THE YEAR ENDED  
AUGUST 31, 2011**

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



**COLLIN COUNTY  
JUVENILE PROBATION DEPARTMENT**

**FINANCIAL AND COMPLIANCE AUDIT REPORTS**

**FOR THE YEAR ENDED  
AUGUST 31, 2011**

**GRANT TJPC-A-11-043  
GRANT TJPC-F-11-043  
GRANT TJPC-O-11-043  
GRANT TJPC-P-11-043  
GRANT TJPC-X-11-043  
GRANT TJPC-Y-11-043  
GRANT TJPC-Z-11-043**



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

**FOR THE YEAR ENDED AUGUST 31, 2011**

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

## INDEPENDENT AUDITORS' REPORT

Juvenile Probation Department  
Collin County Juvenile Probation Board  
McKinney, Texas

We have audited the statement of revenues, expenditures and changes in fund balance – budget and actual – regulatory basis for the year ended August 31, 2011, of the Collin County Juvenile Probation, 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 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 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 more fully in Note 1, the Collin County Juvenile Probation Department prepares its financial statement using accounting practices prescribed or permitted by the Texas Juvenile Probation Commission, 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 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 Texas Juvenile Probation Commission Grant Funds only and is not intended to present fairly the results of operations of Collin County, Texas, 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 Collin County Juvenile Probation Department's Texas Juvenile Probation Commission Grant Funds for the year then ended August 31, 2011, in conformity with the basis of accounting as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 20, 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 Collin County Juvenile Probation Department 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.

*Patillo, Brown & Hill, L.L.P.*

February 20, 2012

# **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, 2011**

	A-11-043		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>REVENUE</b>			
TJPC grant funds	\$ 492,016	\$ 492,016	\$ -
Interest	-	-	-
Total Revenue	<u>492,016</u>	<u>492,016</u>	<u>-</u>
<b>EXPENDITURES</b>			
Salaries and fringe benefits	492,016	492,016	-
Nonresidential services	-	-	-
Total Expenditures	<u>492,016</u>	<u>492,016</u>	<u>-</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ADDITIONAL INFORMATION:**

Refunds paid to TJPC subsequent to August 31, 2011:

October 19, 2011, 2011

\$ -

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

F-11-043			O-11-043		
<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	\$ -	\$ 26,502	\$ 26,502	\$ -
-	-	-	-	-	-
<u>171,417</u>	<u>171,417</u>	<u>-</u>	<u>26,502</u>	<u>26,502</u>	<u>-</u>
171,417	171,417	-	26,502	26,502	-
-	-	-	-	-	-
<u>171,417</u>	<u>171,417</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>	<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, 2011

	P-11-043		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
TJPC grant funds	\$ 157,605	\$ 157,605	\$ -
Interest	-	-	-
Total Revenue	157,605	157,605	-
<b>EXPENDITURES</b>			
Salaries and fringe benefits	-	-	-
Nonresidential services	157,605	157,605	-
Total Expenditures	157,605	157,605	-
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	\$ -	\$ -	\$ -

**ADDITIONAL INFORMATION:**

Refunds paid to TJPC subsequent to August 31, 2011:

    October 19, 2011

\$           -

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

X-11-043			Y-11-043		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 157,818	\$ 157,818	\$ -	\$ 723,304	\$ 723,304	\$ -
-	-	-	-	-	-
<u>157,818</u>	<u>157,818</u>	<u>-</u>	<u>723,304</u>	<u>723,304</u>	<u>-</u>
157,818	157,818	-	723,304	723,304	-
-	-	-	-	-	-
<u>157,818</u>	<u>157,818</u>	<u>-</u>	<u>723,304</u>	<u>723,304</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>
	\$ <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, 2011**

	Z-11-043		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
TJPC grant funds	\$ 162,719	\$ 162,719	\$ -
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>162,719</u>	<u>162,719</u>	<u>-</u>
 <b>EXPENDITURES</b>			
Salaries and fringe benefits	162,719	162,719	-
Nonresidential services	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>162,719</u>	<u>162,719</u>	<u>-</u>
 <b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	-	-	-
 <b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ADDITIONAL INFORMATION:**

Refunds paid to TJPC subsequent to August 31, 2011:

    October 19, 2011

\$ 1,156

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

Interest

\$ -  
3,838  
3,838

3,838  
-  
3,838

-

-

\$ -

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

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2011**

**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 financial statements were prepared in conformity with the accounting practices prescribed by the Commission, 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.

**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. Idle funds were maintained in an interest bearing account. Reconciliation of accrued interest earned is as follows:

	Interest Earned Commission Funds Fiscal Year 2011	Interest Earned Title IV-E Funds Fiscal Year 2011	Total
<b>Accrued Interest:</b>			
Beginning balance, September 1, 2010	\$ -	\$ -	\$ -
Interest accrued on funds received from TJPC in the period of September 1 - August 31, 2011	<u>3,838</u>	<u>-</u>	<u>3,838</u>
Total accrued interest at August 31, 2011	3,838	-	3,838
Minus expenditures in fiscal year 2011	<u>( 3,838)</u>	<u>-</u>	<u>( 3,838)</u>
Ending balance, August 31, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

The Department operates two secure juvenile facilities – a pre adjudication and post adjudication facility. The following disclosure is included in this audit to support registration of the secure facility with TJPC in Collin County. Expenditures for each facility are as follows:

Operating Costs  
Collin County Pre Adjudication Juvenile Facility  
Ended August 31, 2011

	Commission Funding	Local Funding	Total
Salary related expenses	\$ 43,243	\$ 3,154,971	\$ 3,198,214
Student related expenses	-	206,048	206,048
Facility expenses	<u>-</u>	<u>40,157</u>	<u>40,157</u>
Total Operating Expenditures	<u>\$ 43,243</u>	<u>\$ 3,401,176</u>	<u>\$ 3,444,419</u>

**3. OPERATING COSTS FOR A SECURE JUVENILE FACILITY OPERATED BY COLLIN COUNTY (Continued)**

Operating Costs  
Collin County Post Adjudication Juvenile Facility  
Ended August 31, 2011

	Commission Funding	Local Funding	Total
Salary related expenses	\$ 43,243	\$ 3,154,971	\$ 3,198,214
Student related expenses	131,290	206,048	337,338
Facility expenses	-	40,157	40,157
 Total Operating Expenditures	 \$ 174,533	 \$ 3,401,176	 \$ 3,575,709

Commission funding is provided by Grant Z (Salary Adjustment), \$86,486 and Grand L (Secure Felony Placement), \$131,290.

**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).

Collin County Juvenile Probation Department did not receive Title IV-E funds for the year ended August 31, 2011.

**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 4.1.1.6 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.

Contract	Awarded Funding	Expenditures	Unexpended Balance
Grant F-FY2011			
Progressive Sanctions JPO			
B. Basic PSO FY 98-99 \$27,567	\$ 88,716	\$ 88,716	\$ -
C. Basic PSO FY 96-97 \$22,179	82,701	82,701	-
Grant O-FY2011			
Progressive Sanctions ISJPO			
B. ISP PSO 98-99 \$27,240	-	-	-
C. ISP PSO 96-97 \$26,502	26,502	26,502	-
 Total	 \$ 197,919	 \$ 197,919	 \$ -

## 6. SALARY ADJUSTMENT

Funding for the Salary Adjustment, Z-11-043, is clearly restricted. Assurance testing is based on the following grant assurance.

### Financial Assurances

The grant funds made available for salary adjustments under Article IV of the 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.

Results of the salary adjustment compliance testing for the year ended August 31, 2011, are as follows:

Total Population:	15 Certified Juvenile Probation Officers 15 Detention and Correction Officers
Sample Size:	38 Certified Juvenile Probation Officers 39 Detention and Correction Officers

All positions tested for compliance with contract assurance were correctly certified and paid. Vacancies during the year resulted in \$1,156 that was refunded to TJPC on October 19, 2011.

# **COMPLIANCE SECTION**

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**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**

Juvenile Probation Department  
Collin County, Texas  
McKinney, Texas

We have audited the financial statement of Collin County Juvenile Probation Department, Texas Juvenile Probation Commission Grant Funds for the year ended August 31, 2011, and have issued our report thereon dated February 20, 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 Collin County Juvenile 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 a 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 the 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, 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 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 of management, and 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 20, 2012

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED AUGUST 31, 2011**

**Findings:**

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

**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, 2011**

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