



TEXAS JUVENILE PROBATION COMMISSION

P.O. Box 13547, Austin, Texas 78711

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May 15, 2009

EXECUTIVE DIRECTOR

Vicki Spriggs

Bill Bristow, Chief Probation Officer
Grayson County Juvenile Probation Department
86 Dyess
Denison, Texas 75020

Dear Mr. Bristow:

The audit report for the year ended August 31, 2008, has been reviewed and accepted.

Although your report, records, and working papers of the auditor will remain subject to review by appropriate state auditors and Texas Juvenile Probation Commission program and fiscal monitors, we will consider the audit closed.

Thank you and your auditor for your attention and cooperation in the completion of the audit report. If you need additional information, please contact me (512) 424-6694.

Sincerely,

A handwritten signature in blue ink that reads "Annie Collier".

Annie Collier
Director, Fiscal Division

cc: J. Richey Rivers, Fiscal Officer

Pattillo, Brown, & Hill, L.L.P.
401 West Highway 6
P.O. Box 20725
Waco, TX 76702

**GRAYSON COUNTY
JUVENILE PROBATION DEPARTMENT**

AUDIT REPORT

FOR THE YEAR ENDED AUGUST 31, 2008

**GRANT TJPC-A-08-091
GRANT TJPC-F-08-091
GRANT TJPC-G-08-091
GRANT TJPC-V-08-091
GRANT TJPC-X-08-091
GRANT TJPC-Y-08-091
GRANT TJPC-Z-08-091
GRANT TJPC-E-06-091
GRANT TJPC-E-07-091
GRANT TJPC-E-08-091**

**GRAYSON COUNTY
JUVENILE PROBATION DEPARTMENT
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
REGULATORY BASIS**

FOR THE YEAR ENDED AUGUST 31, 2008

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

INDEPENDENT AUDITORS' REPORT

Grayson County Juvenile Probation Department
Grayson County, 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, 2008, of the Grayson County Juvenile Probation Department, Texas Juvenile Probation Commission Grant Funds. This statement is the responsibility of the management of the Grayson 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 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 Texas Juvenile Probation Commission Grant Funds only and is not intended to present fairly the results of operations of Grayson 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 results of operations of the Grayson County Juvenile Probation Department's Texas Juvenile Probation Commission Grant Funds for the year then ended August 31, 2008, 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 26, 2009, 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 Grayson 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.

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

February 26, 2009

FINANCIAL SECTION

**GRAYSON 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, 2008

	A-08-091		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
TJPC grant funds	\$ 99,388	\$ 99,388	\$ -
Interest	-	-	-
Total Revenue	99,388	99,388	-
EXPENDITURES			
Salaries and fringe benefits	58,781	58,781	-
Travel	5,597	5,597	-
Operating	18,822	18,822	-
Nonresidential services	16,188	16,188	-
Residential services	-	-	-
Total Expenditures	99,388	99,388	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -
ADDITIONAL INFORMATION:			
Refund paid to TJPC subsequent to August 31, 2008		\$ -	

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

P-08-091				G-08-091			
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual
\$ 204,999	\$ 204,999	\$ -	\$ 31,548	\$ 31,548	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>204,999</u>	<u>204,999</u>	<u>-</u>	<u>31,548</u>	<u>31,548</u>	<u>-</u>	<u>-</u>	<u>-</u>
204,999	204,999	-	17,061	17,061	-	-	-
-	-	-	-	-	-	-	-
-	-	-	14,487	14,487	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>204,999</u>	<u>204,999</u>	<u>-</u>	<u>31,548</u>	<u>31,548</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -			\$ -			\$ -

(continued)

**GRAYSON 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, 2008**

	V-08-091		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
TJPC grant funds	\$ 200,967	\$ 200,967	\$ -
Interest	-	-	-
Total Revenue	200,967	200,967	-
EXPENDITURES			
Salaries and fringe benefits	-	-	-
Travel	-	-	-
Operating	200,967	200,967	-
Nonresidential services	-	-	-
Residential services	-	-	-
Total Expenditures	200,967	200,967	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -
ADDITIONAL INFORMATION:			
Refund paid to TJPC subsequent to August 31, 2008		\$ -	

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

X-08-091			Y-08-091		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 24,079	\$ 24,079	\$ -	\$ 190,913	\$ 190,913	\$ -
-	-	-	-	-	-
<u>24,079</u>	<u>24,079</u>	<u>-</u>	<u>190,913</u>	<u>190,913</u>	<u>-</u>
-	-	-	127,484	127,484	-
-	-	-	-	-	-
-	-	-	21,327	21,327	-
24,079	24,079	-	27,507	27,507	-
-	-	-	14,595	14,595	-
<u>24,079</u>	<u>24,079</u>	<u>-</u>	<u>190,913</u>	<u>190,913</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -			\$ -	

(continued)

**GRAYSON 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, 2008**

	Z-08-091		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
TJPC grant funds	\$ 85,500	\$ 85,500	\$ -
Interest	-	-	-
Total Revenue	85,500	85,500	-
EXPENDITURES			
Salaries and fringe benefits	85,500	85,500	-
Travel	-	-	-
Operating	-	-	-
Nonresidential services	-	-	-
Residential services	-	-	-
Total Expenditures	85,500	85,500	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -
ADDITIONAL INFORMATION:			
Refund paid to TJPC subsequent to August 31, 2008		\$ -	

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

<u>E-06-091</u>	<u>E-07-091</u>	<u>E-08-091</u>	<u>Interest</u>
S 18,059	S 89,507	S 44,124	S -
-	-	-	3,885
<u>18,059</u>	<u>89,507</u>	<u>44,124</u>	<u>3,885</u>
-	-	-	-
-	-	-	-
-	-	-	-
18,059	89,507	44,124	-
-	-	-	-
<u>18,059</u>	<u>89,507</u>	<u>44,124</u>	<u>-</u>
-	-	-	3,885
-	-	-	4,365
<u>S -</u>	<u>S -</u>	<u>S -</u>	<u>S 8,250</u>

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Entity

The Texas Juvenile Probation Commission Grant Funds of Grayson County (the "Funds") were established to account for juvenile probation services funded by the Texas Juvenile Probation Commission in Grayson County, Texas. The financial statements present only the activity of Juvenile Probation Department funds and do not include activity of Grayson County.

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 and local 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

In accordance with Chapter 341 of the Texas Administrative Code Sec. 6(f) relating to *Investment of Idle Funds Requirements* which states that 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 2008	Interest Earned Title IV-E Funds Fiscal Year 2008	Total
Accrued Interest:			
Beginning balance, September 1, 2007	\$ -	\$ 4,365	\$ 4,365
Interest accrued on funds received from TJPC in the period of September 1 - August 31, 2008	<u>3,289</u>	<u>596</u>	<u>3,885</u>
Total accrued interest at August 31, 2008	3,289	4,961	8,250
Minus expenditures in fiscal year 2008	<u>-</u>	<u>-</u>	<u>-</u>
Ending balance, August 31, 2008	<u>\$ 3,289</u>	<u>\$ 4,961</u>	<u>\$ 8,250</u>

3. OPERATING COSTS FOR A SECURE JUVENILE FACILITY

The Department operates a post adjudication secure juvenile facility. The following disclosure is included in this audit to support registration of the secure facility with TJPC in Grayson County. Expenditures for the facility are as follows:

Operating Costs
Grayson County Post Adjudication Juvenile Facility
Ended August 31, 2008

	Commission Funding	Local Funding	Total
Salary related expenses	\$ 200,967	\$ 1,254,760	\$ 1,455,727
Facility expenses	<u>-</u>	<u>363,574</u>	<u>363,574</u>
Total Operating Expenditures	<u>\$ 200,967</u>	<u>\$ 1,618,334</u>	<u>\$ 1,819,301</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 Grayson County Juvenile Probation Department on a cost reimbursement basis. A confirmation of revenue received in the year ended August 31, 2008, 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, 2008</u>
E-06-091	\$ 18,059
E-07-091	89,507
E-08-091	<u>44,124</u>
Total	<u>\$ 151,690</u>

5. PROGRESSIVE SANCTIONS OFFICERS

The following shows funding awarded to Grayson 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-FY2008			
Progressive Sanctions JPO			
B. Basic PSO FY 98-99	\$ 177,432	\$ 177,432	\$ -
C. Basic PSO FY 96-97	27,567	27,567	-
Grant O-FY2008			
Progressive Sanctions ISJPO			
B. ISP PSO 98-99	-	-	-
C. ISP PSO 96-97	-	-	-
Total	<u>\$ 204,999</u>	<u>\$ 204,999</u>	<u>\$ -</u>

6. SALARY ADJUSTMENT

Funding for the Salary Adjustment, Z-08-091, 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 test are as follows:

Total Population:	17 Certified Juvenile Probation Officers 40 Detention and Correction Officers
Sample Size:	15 Certified Juvenile Probation Officers 15 Detention and Correction Officers

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

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**

Grayson County Juvenile Probation Department
Grayson County, Texas

We have audited the combined financial statements of the Grayson Juvenile Probation Department Texas Juvenile Probation Commission Grant Funds for the year ended August 31, 2008, and have issued our report thereon dated February 26, 2009. 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 Grayson 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Department's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 Grayson 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.

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

February 26, 2009

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2008

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

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

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2008

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