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State Auditor & Inspector

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Tulsa County Juvenile Justice Trust Authority

Financial Statements
and
Report of Independent Certified Public Accountants

June 30, 2011 and 2010

Tulsa County Juvenile Justice Trust Authority

Contents

Financial Reporting Section

Stanfield & O'Dell PC
Beyond numbers. To solutions.
CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Certified Public Accountants

To the Board of Trustees
Tulsa County Juvenile Justice Trust Authority

We have audited the accompanying basic financial statements the Tulsa County Juvenile Justice Trust Authority (the "Authority"), as of and for the year ended June 30, 2011, as listed in the Table of Contents. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of the Tulsa County Juvenile Justice Trust Authority as of June 30, 2010, were audited by other auditors whose report dated November 1, 2010, expressed an unqualified opinion on those statements.

We conducted our audits of these statements 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, which 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, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Tulsa County Juvenile Justice Trust Authority at June 30, 2011, and the changes in financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2011, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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.

The Management's Discussion and Analysis, on pages 2 to 5, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Tulsa, Oklahoma
November 21, 2011

Stanfield & O'Dell PC

Management's Discussion and Analysis

TULSA COUNTY JUVENILE JUSTICE TRUST AUTHORITY (THE "AUTHORITY")
MANAGEMENT DISCUSSION AND ANALYSIS

The discussion and analysis of the Authority's financial performance provides an overview of the Authority's financial activities for the year ended June 30, 2011. Please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's net assets decreased by $162,296 or 12% during the year ended June 30, 2011 from $1,322,433 at June 30, 2010 to $1,160,137 at June 30, 2011. The Authority's net assets decreased by $223,129 or 14% during the year ended June 30, 2010 from $1,545,562 at June 30, 2009 to $1,322,433 at June 30, 2010.

- Total operating revenue of the Authority decreased by $184,122 or 20% for the year ended June 30, 2011, from $904,457 for the year ended June 30, 2010 to $720,335 for the year ended June 30, 2011. Total operating revenue of the Authority decreased by $15,726 or 2% for the year ended June 30, 2010, from $920,183 for the year ended June 30, 2009 to $904,457 for the year ended June 30, 2010.

- Total operating expenses of the Authority decreased by $244,830 or 22% for the year ended June 30, 2011, from $1,129,068 for the year ended June 30, 2010 to $884,237 for the year ended June 30, 2011. Total operating expenses for the Authority increased by $87,907 or 8% for the year ended June 30, 2010, from $1,041,161 for the year ended June 30, 2009 to $1,129,068 for the year ended June 30, 2010.

- Total non-operating revenue increased by $125 or 8% for the year ended June 30, 2011, from $1,482 for the year ended June 30, 2010 to $1,607 for the year ended June 30, 2011. Total non-operating revenue decreased by $16,193 or 92% for the year ended June 30, 2010, from $17,675 for the year ended June 30, 2009 to $1,482 for the year ended June 30, 2010.

USING THIS ANNUAL REPORT

The following summarizes the content of the Authority's financial statements and differs from previous presentations:

- Management Discussion and Analysis

- Financial Statements, including the Statements of Net Assets on page 6, the Statements of Revenue, Expenses, and Changes in Net Assets on page 7, and the Statements of Cash Flows on page 8.

- Notes to Financial Statements

The primary focus of the Authority's financial statements is on the Authority as a whole. This perspective allows the user to address relevant questions, broaden a basis for comparison and enhance the Authority's accountability.

ENTITY WIDE FINANCIAL STATEMENTS

The Authority engages in only public service and non-profit type activities. The financial statements are designed such that all types of activities are consolidated to a total for the entire entity. The Authority's major business activities consist of providing programs for children alleged and adjudicated to be deprived, delinquent or in need of supervision.

STATEMENTS OF NET ASSETS

The following table reflects the condensed Statements of Net Assets compared to prior years.

	6/30/11	6/30/10	6/30/09
Current and other assets	$ 1,257,047	$ 1,417,156	$ 1,665,327
Total assets	$ 1,257,047	$ 1,417,156	$ 1,665,327
Current liabilities	$ 96,910	$ 94,723	$ 119,765
Unrestricted net assets	1,160,137	1,322,433	1,545,562
Total Liabilities and Net Assets	$ 1,257,047	$ 1,417,156	$ 1,665,327

For more detailed information, see page 6 for the Statements of Net Assets.

MAJOR FACTORS AFFECTING THE STATEMENTS OF NET ASSETS

Cash and cash equivalents increased by $249,450, and investments decreased by $399,542, for the year ended June 30, 2011. Cash and cash equivalents decreased by $497,088, and investments increased by $299,767 for the year ended June 30, 2010. The net change for cash and investments can be attributed primarily to the purchase of treasury bills with original maturities of greater than 90 days and the redemption of short-term treasury bills and certificates of deposit with maturities of 90 days or less.

Liabilities increased by $2,187 and decreased by $25,402 for the years ended June 30, 2011 and 2010, respectively. The change in liabilities is attributed to timing differences in accounts payable.

CHANGE IN UNRESTRICTED NET ASSETS

	Year Ended June 30, 2011	2010	2009
Unrestricted Net Asssets at the, beginning of the year	$ 1,322,433	$ 1,545,562	$ 1,648,865
Decrease in Unrestricted Net Assets	(162,296)	(223,129)	(103,303)
Unrestricted Net Assets at the, end of the year	$ 1,160,137	$ 1,322,433	$ 1,545,562

While the results of operations are a significant measure of the Authority's activities, the analysis of the change in unrestricted net assets provides a clearer change in financial well being. The change in Unrestricted Net Assets is primarily attributed to program expenses related to continued funding of the Drug Court Program and the Phoenix Program without commensurate revenue sources.

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS

The following schedule compares the revenues and expenses for the current and previous fiscal year. As stated before, the Authority engages in only business-type activities.

	Year Ended June 30, 2011	2010	2009
Support Revenue			
Government grant	$ 718,610	$ 904,457	$ 893,721
Other	3,332	1,482	44,137
Total Support and Revenues	721,942	905,939	937,858
Expenses			
Program services	883,658	1,128,901	1,040,718
Support services	580	167	443
Total Expenses	884,238	1,129,068	1,041,161
Decrease in Net Assets	$ (162,296)	$ (223,129)	$ (103,303)

MAJOR FACTORS AFFECTING THE STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS

Total revenue decreased by $183,997 and expenses decreased by $244,830 for the year ended June 30, 2011. Total revenue decreased by $31,919 and expenses increased by $87,907 for the year ended June 30, 2010. The increases in revenue and decrease in expenses are primarily attributed to decreased grant funding and program service expenses. The Oklahoma Office of Juvenile Affairs terminated the OJA Gang Program as of June 30, 2010, and that resulted in a decrease in revenue of $56,560. The Oklahoma Department of Education decreased the funding for the Truancy Program by $16,663.

CAPITAL ASSETS

As of June 30, 2011, the Authority did not have any capital assets.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- The available grant funds from other government entities.
- The ability of the Authority to qualify certain Juvenile Bureau expenses under the Title IV-E grant.
- Redirection of funding directly to the Juvenile Bureau.
- The ability of the Authority to seek out and obtain other sources of grant funding.

FINANCIAL CONTACT

The individual to be contacted regarding this report is Bartley R. Verner, 918-596-5939, Bartley R. Verner, Chief Financial Officer, Tulsa County Juvenile Justice Trust Authority, 315 S. Gilcrease Museum Rd., Tulsa, Oklahoma, 74127.

Financial Statements

Tulsa County Juvenile Justice Trust Authority

Statements of Net Assets

June 30,

		2011		2010
Assets				
Cash and cash equivalents	$	1,127,548	$	878,098
Investments		-		399,542
Grants receivable		129,229		139,108
Accrued interest receivable		70		308
Prepaid expenses and other assets		200		100
Total assets	$	1,257,047	$	1,417,156
Liabilities and Net Assets				
Accounts payable	$	96,910	$	94,723
Unrestricted net assets		1,160,137		1,322,433
Total net assets and liabilities	$	1,257,047	$	1,417,156

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

Tulsa County Juvenile Justice Trust Authority

Statements of Revenues, Expenses and Changes in Net Assets

Years Ended June 30,

	2011	2010
Operating revenues		
Government grants	$ 718,610	$ 904,457
Other	1,725	-
Net operating revenues	720,335	904,457
Operating expenses		
Program services	883,658	1,128,901
Management and general	580	167
Total operating expenses	884,238	1,129,068
Operating loss	(163,903)	(224,611)
Nonoperating revenues		
Investment income	1,607	1,482
Change in net assets	(162,296)	(223,129)
Net assets, beginning of year	1,322,433	1,545,562
Net assets, end of year	$ 1,160,137	$ 1,322,433

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

Tulsa County Juvenile Justice Trust Authority

Statements of Cash Flows

Years Ended June 30,

	2011	2010
Operating activities		
Cash received from grant awards	$ 730,214	$ 955,295
Cash received from other sources	1,725	-
Cash payments for goods or services	(883,638)	(1,154,119)
Net cash used in operating activities	(151,699)	(198,824)
Investing activities		
Purchase of investments	-	(299,767)
Sale of investments	399,542	-
Investment income	1,607	1,503
Net cash provided by (used in) investing activities	401,149	(298,264)
Net increase (decrease) in cash and cash equivalents	249,450	(497,088)
Unrestricted cash, beginning of year	878,098	1,375,186
Unrestricted cash, end of year	$ 1,127,548	$ 878,098
Reconciliation of change in net assets to cash used in operating activities:		
Operating loss	$ (163,903)	$ (224,611)
Adjustments to reconcile operating cost to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Prepaid expenses	(100)	(9)
Accrued interest	238	-
Grants receivable	9,879	50,838
Accounts payable	2,187	(25,042)
Net cash used in operating activities	$ (151,699)	$ (198,824)

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

Note A – Financial Reporting Entity and Summary of Significant Accounting Policies

The Tulsa County Juvenile Justice Trust Authority (the Authority) is a public trust as defined under Oklahoma Statutes and was formed on September 21, 1998. The Authority exists to provide programs for children alleged and adjudicated to be deprived, delinquent or in need of supervision. These programs secure for each child the care and guidance as will best serve the spiritual, emotional, mental and physical welfare of the child, provide a system for the rehabilitation and reintegration of juvenile delinquents into society, and preserve and strengthen family ties, including improvements of the home environment. The Authority primarily serves children and families in Tulsa County.

1. *Basis of Accounting* – The Authority prepares its financial statements on the accrual basis of accounting. The basic financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

2. *Basis of Presentation* – The Authority has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board ("FASB") pronouncements and Accounting Principles Board ("APB") Opinions issued on or before November 30, 1989, unless those pronouncements conflict with, or contradict, GASB pronouncements.

3. *Cash and Cash Equivalents* – All highly liquid debt instruments with original maturities of 90 days or less when purchased are considered to be cash equivalents. Cash balances are maintained at financial institutions. Accounts at each institution are fully insured by the Federal Deposit Insurance Corporation.

4. *Investments* – Investments consist of short-term U.S. Treasury and agency securities, which are considered money market type investments as defined by the Governmental Accounting Standards Board. The investments are recorded at amortized cost.

5. *Grants Receivable* – Grants receivable consists of amounts due from grantors and are uncollateralized. Grants receivable are stated at the amount billed. The carrying amount of Grants receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. Management has determined that no allowance for bad debts is necessary at June 30, 2011 and 2010.

6. *Income Taxes* – The Authority is exempt from federal income taxes under the Internal Revenue Code. Therefore, no provision for income taxes is included in these financial statements.

7. *Operating Revenues and Expenses* – The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses consist of governmental grant revenues and expenses associated with operating and administering programs consistent with the Authority's purpose. All other revenues and expenses are reported as non-operating revenues and expenses.

Note A – Financial Reporting Entity and Summary of Significant Accounting Policies - Continued

8. *Net Assets* – Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. As of June 30, 2011 and 2010, there were no restricted net assets.

9. *Use of Estimates* – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

10. *Subsequent Events* – The Authority has evaluated subsequent events through November 21, 2011, the date which the financial statements were issued.

Note B – Cash and Investments

The Authority's policy is to invest in those securities which are authorized by Tulsa County. Such investments generally consist of obligations of the U.S. government and its agencies and instrumentalities, collateralized or insured certificates of deposit or other bank deposits, and certain other commercial instruments. The primary objectives of the Authority's investment policy are safety, liquidity, yield and administrative costs.

Deposit balances of the Authority are categorized to give an indication of the level of custodial risk assumed by the Authority at June 30, 2011 and 2010, as follows:

2011	Category				
Cash	(Level 1)	(Level 2)	(Level 3)	Bank Balance	Book Balance
Cash and bank deposits	$ 133,718	$ -	$ -	$ 133,718	$ 127,649
Total deposits	$ 133,718	$ -	$ -	$ 133,718	127,649
U.S. Treasury Bills and CDs, included as cash equivalents					999,899
Total cash and cash equivalents					$ 1,127,548

Level 1 – Quoted Prices in Active Markets for Identical Assets
Level 2 – Significant Other Observable Inputs
Level 3 – Significant Unobservable Inputs

Note B – Cash and Investments - Continued

2010	Category				
Cash	(Level 1)	(Level 2)	(Level 3)	Bank Balance	Book Balance
Cash and bank deposits	$ 84,381	$ -	$ -	$ 84,381	$ 78,381
Total deposits	$ 84,381	$ -	$ -	$ 84,381	78,381
U.S. Treasury Bills and CDs, included as cash equivalents					799,717
Total cash and cash equivalents					$ 878,098

Investments

The Authority's investments, including certificate of deposit and U.S. Treasury bills included as cash equivalents, are registered in the Authority's name. Investments at June 30, 2011 and 2010 represent U.S. Treasury bills with an original maturity greater than 90 days.

Note C – Concentrations

The Authority receives a substantial amount of its support from three grant agencies. Approximately $718,600 or 99% and $904,000 or 99% of total revenues for the years ended June 30, 2011 and 2010, respectively, are from these sources.

A significant reduction in the level of this support, if this were to occur, may have an effect on the Authority's programs and activities. In addition, the Authority's Grant programs are subject to audit by the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of the funds. Management believes that any liability for reimbursement which may arise as the result of audits of Grant funds would not be material.

Note D – Related Party Transactions

Tulsa County (the County) provides services for the Authority that are primarily funded by government grants. Payments to the County totaled approximately $614,500 and $725,000 for the years ended June 30, 2011 and 2010, respectively.

Juvenile Bureau of the District Court of Tulsa County, Oklahoma (the Bureau) provides services for the Authority related to the Title IV-E Grant. The Authority does not reimburse the Bureau for these services.

Other Reports and Supplemental Information

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CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Trustees
Tulsa County Juvenile Justice Trust Authority

We have audited the financial statements of the Tulsa County Juvenile Justice Trust Authority (the "Authority") as of and for the year ended June 30, 2011, and have issued our report thereon dated November 21, 2011. 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 Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 would not necessarily 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 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 Authority'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*.

This report is intended for the information of the Board of Trustees and the Authority's management, others within the Authority, and federal and state agencies and is not intended to be and should not be used by anyone other than those specified parties.

Stanfield & O'Dell P.C.

Tulsa, Oklahoma
November 21, 2011

Stanfield & O'Dell PC

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CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance with Requirements Applicable to Each Major Program on Internal Control Over Compliance in Accordance With OMB Circular A-133

The Board of Trustees
Tulsa County Juvenile Justice Trust Authority

Compliance

We have audited the compliance of the Tulsa County Juvenile Justice Trust Authority (the Authority) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2011. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance 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 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned function, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Authority as of and for the year ended June 30, 2011, and have issued our report thereon dated November 21, 2011. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Audit and Compliance Committee, management and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Stanfield & O'Dell P.C

Tulsa, Oklahoma
November 21, 2011

Tulsa County Juvenile Justice Trust Authority

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2011

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Expenditures 2011
U.S. Department of Health and Human Services		
Passed through Oklahoma State Department of Human Services:		
Title IV-E Grant	93.658	$ 419,605
U.S. Department of Justice		
Passed through Oklahoma Office of Juvenile Affairs:		
Juvenile Justice and Deliquency Prevention Grant	16.523	200,000
		$ 619,605

See accompanying notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2011

Note A – Summary of Significant Accounting Policies

The schedule of expenditures of federal awards includes the federal awards activity of the Tulsa County Juvenile Justice Trust Authority (the Authority) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B – Sub-Recipients

The Authority provided no Federal awards to sub-recipients for the year ended June 30, 2011.

Note C – Major Program Determination

The dollar threshold used to distinguish between Type A and Type B programs was $300,000. The Authority qualifies as a low-risk auditee.

Tulsa County Juvenile Justice Trust Authority

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2011

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	_ yes _x_ no
Significant deficiency(ies) identified?	_ yes _x_ none reported
Noncompliance material to financial statements noted?	_ yes _x_ no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_ yes _x_ no
Significant deficiency(ies) identified?	_ yes _x_ none reported
Type of auditor's report issued on compliance for major program:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_ yes _x_ no

Identification of major program:

CFDA Number(s)	Name of Federal Program or Cluster
93.658	Title IV-E Grant

Dollar threshold used to distinguish Between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	_x_ yes _ no

Section II – Financial Statement Findings – None

Section III – Federal Awards Findings and Questioned Costs – None

Management's Summary of Prior Year Findings

For the Year Ended June 30, 2010

Section II – Financial Statement Findings – Yes

FINDING 2010-01

June 30, 2010

Statement of Condition:
Due to a limited number of accounting personnel at the Authority, adequate segregation of duties in many significant processes does not exist. The Authority's controller is the sole person behind all accounting functions of the Authority and has limited board oversight of day-to-day activity.

Recommendation:
The Authority should provide an adequate segregation of duties for all of their significant accounting processes.

Response:
The Trustees recognize the limited segregation of duties inherent in a small organization where substantial responsibility is placed with one individual, in this instance, the Chief Financial Officer. The Trustees deem the financial cost to hiring additional personnel to satisfy the deficiency to be onerous and unnecessary under the circumstances. The Trustees deem the requirement that either the Chairman or the Executive Director of the Trust sign all checks to be adequate control under the present circumstance.

The CFO has been providing a schedule of disbursements to the Chairman and the Executive Director each month along with the Financial Statements distributed to the Trustees. The Trustees deem this satisfactory for internal control.

Section III – Federal Awards Findings and Questioned Costs – None