



JUVENILE BOARD OF TARRANT COUNTY, TEXAS
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS

Statement of Revenues, Expenditures and Changes in
Fund Balance by Contract – Budget and Actual (Regulatory Basis)

August 31, 2013

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 3100
717 North Harwood Street
Dallas, TX 75201-6585

Independent Auditors' Report

Honorable Mike Thomas, Chair
Tarrant County Juvenile Board
Fort Worth, Texas:

We have audited the accompanying financial statements of the Texas Juvenile Justice Department Grant Funds of Tarrant County Juvenile Department (the Department), which comprise the statement of revenues, expenditures and changes in fund balances by contract – budget and actual-regulatory basis for the year ended August 31, 2013 and the related notes to the financial statements.

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 fraud or error.

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 entity'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 entity'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 present 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, 2013, in accordance with the financial reporting provisions of the Texas Juvenile Justice Department as described in note 1.



Report on Summarized Comparative information

We have previously audited the Department’s Prior Year Activity presented on the statement of Revenues, Expenditures and Changes in Fund Balance by Contract – budget and actual-regulatory basis, and we expressed an unmodified audit opinion dated January 10, 2013. In our opinion, the prior year activity presented herein for the year ended August 31, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 February 3, 2014, 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 Tarrant County’s internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of management, Tarrant County, others within Tarrant County Juvenile Probation Department and the Texas Juvenile Justice Department and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Dallas, Texas
February 3, 2014



KPMG LLP
Suite 3100
717 North Harwood Street
Dallas, TX 75201-6585

Independent Auditors' 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*

Tarrant County Juvenile Board
Tarrant County, Texas:

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 Tarrant County Juvenile Probation Department, and have issued our report thereon dated February 3, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tarrant County 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tarrant County Juvenile Probation Department's internal control. Accordingly, we do not express an opinion on the effectiveness of Tarrant County 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 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. 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 Tarrant County Juvenile Probation Department's financial statements are free from 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 Tarrant County Juvenile Probation Department'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.

KPMG LLP

Dallas, Texas
February 3, 2014

JUVENILE BOARD OF TARRANT COUNTY, TEXAS
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, 2013

	Commitment Reduction (P21) Grant-C-2013-220		
	Final Budget	Actual	Variance
REVENUES:			
TJJD Funds	\$1,009,230	\$1,009,230	\$ -
Total Revenues	\$1,009,230	\$1,009,230	\$ -
EXPENDITURES:			
Salaries and Fringe Benefits	\$ -	\$ -	\$ -
Travel	-	-	-
Operating Expenditures	-	-	-
Non-Residential	1,009,230	1,009,230	-
Residential Services	-	-	-
Total Expenditures	\$1,009,230	\$1,009,230	\$ -
EXCESS REVENUES OVER EXPENDITURES	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

JUVENILE BOARD OF TARRANT COUNTY, TEXAS
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, 2013

	Commitment Reduction (P16) Grant-M-2013-220		
	Final Budget	Actual	Variance
REVENUES:			
TJJD Funds	\$ 216,800	\$ 216,800	\$ -
Total Revenues	\$ 216,800	\$ 216,800	\$ -
EXPENDITURES:			
Salaries and Fringe Benefits	\$ 205,212	\$ 205,212	\$ -
Travel	11,588	11,588	-
Operating Expenditures	-	-	-
Non-Residential	-	-	-
Residential Services	-	-	-
Total Expenditures	\$ 216,800	\$ 216,800	\$ -
EXCESS REVENUES OVER EXPENDITURES			
	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

JUVENILE BOARD OF TARRANT COUNTY, TEXAS
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, 2013

State Aid (P11)
Grant-A-2011-220

	Total Budget	Prior Year Activity	Current Year Activity	To Date Activity	Budget Variance
REVENUES:					
TJJJ Funds	\$1,056,864	\$1,056,864	\$ (20,070)	\$1,036,794	\$ (20,070)
Total Revenues	\$1,056,864	\$1,056,864	\$ (20,070)	\$1,036,794	\$ (20,070)
EXPENDITURES:					
Salaries and Fringe Benefits	\$ 818,227	\$ 818,227	\$ -	\$ 818,227	\$ -
Travel	32,521	32,521	-	32,521	-
Operating Expenditures	19,591	19,591	-	19,591	-
Non-Residential	186,525	151,195	15,260	166,455	20,070
Residential Services	-	-	-	-	-
Total Expenditures	\$1,056,864	\$1,021,534	\$ 15,260	\$1,036,794	\$ 20,070
EXCESS REVENUES OVER EXPENDITURES	-	35,330	(35,330)	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ 35,330	\$ (35,330)	\$ -	\$ -

Additional Information: Refunds Paid to TJJJ for the Period of Fiscal Year 2013

3/26/2013

\$ 20,070

JUVENILE BOARD OF TARRANT COUNTY, TEXAS
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, 2013

State Aid (P11)
Grant-A-2013-220

	Total Budget	Prior Year	Current	To Date	Budget
		Activity	Year Activity	Activity	Variance
REVENUES:					
TJJD Funds	\$5,759,535	\$ -	\$5,759,535	\$5,759,535	\$ -
Total Revenues	\$5,759,535	\$ -	\$5,759,535	\$5,759,535	\$ -
EXPENDITURES:					
Salaries and Fringe Benefits	\$2,594,591	\$ -	\$2,594,591	\$2,594,591	\$ -
Travel	169,441	-	157,441	157,441	12,000
Operating Expenditures	-	-	-	-	-
Non-Residential	562,842	-	499,842	499,842	63,000
Residential Services	2,432,661	-	2,432,661	2,432,661	-
Total Expenditures	\$5,759,535	\$ -	\$5,684,535	\$5,684,535	\$ 75,000
EXCESS REVENUES OVER					
EXPENDITURES	-	-	75,000	75,000	75,000
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ 75,000	\$ 75,000	\$ 75,000

\$75,000 carried forward to FY2014 per Amendment #15

**JUVENILE BOARD OF TARRANT COUNTY, TEXAS
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) ENTITY

The Texas Juvenile Justice Department Grant Funds of Tarrant County (the Funds) were established to account for juvenile probation services funded by the Texas Juvenile Justice Department (TJJD) in Tarrant County.

The Funds provide separate accountability as required under the State Financial Assistance Contract, by 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 the format to facilitate uniform financial reporting by county probation departments.

NOTE 2: RECONCILIATION OF INTEREST EARNED

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

	Interest Earned TJJD Funds Fiscal Year 2013	Interest Earned IV-E Funds Fiscal Year 2013	Total Interest
Beginning balance, September 1, 2012	\$304	\$ –	\$304
Interest earned on funds received from the period of 9/01/12 - 8/31/13	\$635	\$3,455	\$4,090
Total Interest at August 31, 2013	\$939	\$3,455	\$4,394
Minus interest expenditures in FY 2013	\$ –	\$3,455	\$3,455
Ending Balance, August 31, 2013	\$939	\$ –	\$939

**JUVENILE BOARD OF TARRANT COUNTY, TEXAS
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2013**

NOTE 3: OPERATING COST FOR A SECURE JUVENILE FACILITY OPERATED BY TARRANT COUNTY

The Juvenile Board of Tarrant County does not operate a secure juvenile facility.

NOTE 4: 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 Tarrant County on a cost reimbursement basis. A confirmation of revenue received in the year ending August 31, 2013 is required and presented below. This includes receipts for direct and enhanced administrative foster care claims.

Title IV-E Foster Care Contract Number	Amount Received (Cash Basis) August 31, 2013
TJJD-E-2013-220	\$382,917

NOTE 5: 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 ending August 31, 2013 is required and presented below:

Local Funding Expended (less construction and capital outlay)	
FY2013	\$19,134,994
FY2006	\$13,137,214

The juvenile probation department certified the financial match requirements were fulfilled in FY 2013.

NOTE 6: STATE FINANCIAL ASSISTANCE

- a. The Texas Juvenile Justice Department provided the County the following funds for the JJAEP Juvenile Reimbursement Grant funds. A confirmation of revenue received in the year ending August 31, 2013 is required and presented below.

Contract Number	Amount Received (Cash Basis) August 31, 2013
TJJD-P-2013-220	\$464,836

**JUVENILE BOARD OF TARRANT COUNTY, TEXAS
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2013**

- b. The Texas Juvenile Justice Department provided approval for the County for the following funds: Grant A, State Assistance, which can be used over a two year period. The following indicates the amounts that are available to be carried forward to the subsequent year and amounts that were expended from prior year contracts.

Contract Number	Amount Carried Forward to Fiscal Year August 31, 2014	Amount Brought Forward from Fiscal Year August 31, 2012
TJJD-A-2011- 220	\$ -	\$35,330
TJJD-A-2013- 220	\$75,000	\$ -
	<u>\$75,000</u>	<u>\$35,330</u>

**JUVENILE BOARD OF TARRANT COUNTY, TEXAS
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AUGUST 31, 2013**

Current Year Findings

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

Prior Year Findings

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