
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, 2018

(With Independent Auditors' Report Thereon)

TARRANT COUNTY JUVENILE SERVICES DEPARTMENT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
FOR THE YEAR ENDED AUGUST 31, 2018

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INDEPENDENT AUDITORS' REPORT

Members of the Tarrant County Juvenile Board Texas Juvenile Justice Department of Tarrant County Tarrant County, Texas

Report on the Financial Statement

We have audited the aggregate statement of revenues, expenditures and changes in fund balance—budget and actual—regulatory basis, (the “aggregate financial statement”) of the Tarrant County Juvenile Services Department Grant Funds (the “TCJSD”) for the year ended August 31, 2017 and the related notes to the aggregate financial statement.

Management’s Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this aggregate financial statement in accordance with the financial reporting provisions of the Texas Juvenile Justice Department (“TJJD”); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the aggregate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on this aggregate 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 aggregate financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the aggregate financial statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the aggregate financial statement, 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 aggregate financial statement 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 aggregate financial statement.

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 aggregate financial statement referred to above present fairly, in all material respects, the revenues and expenditures compared to budgeted revenues and expenditures of the TCJSD Grant Funds for the year ended August 31, 2017, in accordance with the financial reporting provisions of the Texas Juvenile Justice Department as described in Note 1.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the aggregate financial statement, which describes the basis of accounting. The aggregate financial statement is 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 this matter.

Emphasis of Matter—Presentation

As discussed in Note 1, the aggregate financial statement presents the revenues, expenditures, and changes in fund balance budget and actual of the TCJSD Grant Funds only and is not intended to present fairly the results of operations of Tarrant County or TCJSD in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the aggregate financial statement as a whole. The supplementary information, representing the individual grant information, is presented for purposes of additional analysis and is not a required part of the aggregate statement. The individual grant information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the aggregate financial statement. Such information has been subjected to the auditing procedures applied in the audit of the aggregate financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the aggregate financial statement or to the aggregate financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying individual grant information is fairly stated, in all material respects, in relation to the aggregate financial statement as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2018 on our consideration of the TCJSD's internal control over financial reporting and on our tests 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 and compliance and the results of that testing, and not to provide an opinion on 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 TCJSD's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of management, the Tarrant County Juvenile Services Board, Tarrant County Commissioners Court, others within the 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.

Deloitte & Touche LLP

February 16, 2018

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*

Members of the Tarrant County Juvenile Board
Texas Juvenile Justice Department of Tarrant County
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 aggregate statement of revenues, expenditures, and changes in fund balance—budget and actual—regulatory basis (the "*aggregate* financial statement") of the Tarrant County Texas Juvenile Justice Department Grant Funds (the "Funds") for the year ended August 31, 2017 and the related notes to the aggregate financial statement, and have issued our report thereon dated February 16, 2018 which included emphasis of matter paragraphs related to the use of another comprehensive basis of accounting and to the intent to present only the operations of the Tarrant County Texas Juvenile Justice Department (the "TCJSD") grant funds and not the operations of Tarrant County.

Internal Control over Financial Reporting

In planning and performing our audit of the aggregate financial statement, we considered the TCJSD'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 opinion on the aggregate financial statement, but not for the purpose of expressing an opinion on the effectiveness of the TCJSD's internal control. Accordingly, we do not express an opinion on the effectiveness of the TCJSD'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Fund's aggregate TCJSD financial statement 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 the Funds' aggregate financial statement is 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 the aggregate 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 TCJSD'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 TCJSD's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deloitte & Touche LLP

February 16, 2018

**TARRANT COUNTY
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BY CONTRACT
BUDGET AND ACTUAL (REGULATORY BASIS)**

**STATE AID (P11, P14, P21, P28, P111, P211)
GRANT-A-2018-220**

FOR THE YEAR ENDED AUGUST 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
TJJD Funds	\$ 6,315,572	\$ 6,289,130	\$ (26,442)
Total Revenues	<u>6,315,572</u>	<u>6,289,130</u>	<u>(26,442)</u>
EXPENDITURES:			
Basic Probation Supervision	1,561,659	1,561,659	-
Community Programs	1,321,106	1,314,357	6,749
Pre Post-Adjudication	1,246,686	1,245,906	780
Commitment Diversion	1,004,381	1,004,381	-
Mental Health Services	1,181,740	1,162,827	18,913
Prevention and Intervention	-	-	-
Total Expenditures	<u>6,315,572</u>	<u>6,289,130</u>	<u>26,442</u>
EXCESS REVENUES OVER EXPENDITURES			
	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Information: Refunds Paid to

TJJD	10/23/2018	\$	26,442
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The accompanying notes are an integral part of these financial statements.

**TARRANT COUNTY
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BY CONTRACT
BUDGET AND ACTUAL (REGULATORY BASIS)**

**SPECIAL NEEDS DIVERSIONARY PROGRAM (P16)
GRANT-M-2018-220**

FOR THE YEAR ENDED AUGUST 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
TJJJ Funds	\$ 216,800	\$ 216,800	\$ -
Total Revenues	216,800	216,800	-
EXPENDITURES:			
Basic Probation Supervision	-	-	-
Community Programs	216,800	216,800	-
Pre Post-Adjudication	-	-	-
Commitment Diversion	-	-	-
Mental Health Services	-	-	-
Prevention and Intervention	-	-	-
Total Expenditures	216,800	216,800	-
EXCESS REVENUES OVER EXPENDITURES	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

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

**TARRANT COUNTY
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BY CONTRACT
BUDGET AND ACTUAL (REGULATORY BASIS)**

**PREVENTION AND INTERVENTION (P24)
GRANT-S-2018-220**

FOR THE YEAR ENDED AUGUST 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
TJJD Funds	\$ 31,479	\$ 30,420	\$ (1,059)
Total Revenues	<u>31,479</u>	<u>30,420</u>	<u>(1,059)</u>
EXPENDITURES:			
Basic Probation Supervision	-	-	-
Community Programs	-	-	-
Pre Post-Adjudication	-	-	-
Commitment Diversion	-	-	-
Mental Health Services	-	-	-
Prevention and Intervention	31,479	30,420	1,059
Total Expenditures	<u>31,479</u>	<u>30,420</u>	<u>1,059</u>
EXCESS REVENUES OVER EXPENDITURES			
	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Information: Refunds Paid to

TJJD	10/23/2018	\$	1,059
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The accompanying notes are an integral part of these financial statements.

**TARRANT COUNTY
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BY CONTRACT
BUDGET AND ACTUAL (REGULATORY BASIS)**

**SCHOOL ATTENDANCE IMPROVEMENT PROJECTS (P29)
GRANT-T-2018-220**

FOR THE YEAR ENDED AUGUST 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
TJJJ Funds	\$ 173,000	\$ 166,595	\$ (6,405)
Total Revenues	<u>173,000</u>	<u>166,595</u>	<u>(6,405)</u>
EXPENDITURES:			
Basic Probation Supervision	-	-	-
Community Programs	-	-	-
Pre Post-Adjudication	-	-	-
Commitment Diversion	-	-	-
Mental Health Services	-	-	-
Prevention and Intervention	173,000	166,595	6,405
Total Expenditures	<u>173,000</u>	<u>166,595</u>	<u>6,405</u>
EXCESS REVENUES OVER EXPENDITURES			
	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Information: Refunds Paid to

TJJJ	10/23/2018	\$	6,405
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The accompanying notes are an integral part of these financial statements.

**TARRANT COUNTY
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BY CONTRACT
BUDGET AND ACTUAL (REGULATORY BASIS)**

**JJAEP Discretionary (P19)
GRANT-W-2018-220**

FOR THE YEAR ENDED AUGUST 31, 2018

	<u>Total Budget</u>	<u>Prior Year Activities</u>	<u>Current Year Activities</u>	<u>To Date Activities</u>	<u>Variance</u>
REVENUES:					
TJJD Funds	\$ 16,332	\$ -	\$ -	\$ -	\$ (16,332)
Total Revenues	16,332	-	-	-	(16,332)
EXPENDITURES:					
Basic Probation Supervision	-	-	-	-	-
Community Programs	16,332	-	-	-	16,332
Pre Post-Adjudication	-	-	-	-	-
Commitment Diversion	-	-	-	-	-
Mental Health Services	-	-	-	-	-
Prevention and Intervention	-	-	-	-	-
Total Expenditures	16,332	-	-	-	16,332
EXCESS REVENUES OVER EXPENDITURES	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

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

**TARRANT COUNTY JUVENILE SERVICES DEPARTMENT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018**

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 a 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 2018	Interest Earned IV-E Funds Fiscal Year 2018	Total Interest
Beginning balance, September 1, 2017	\$ 7,122	\$ -	\$ 7,122
Interest earned on funds received from the period of 9/01/17 - 8/31/18	14,775	23,016	37,791
Total Interst at August 31, 2018	21,897	23,016	44,913
Minus interst expenditures in FY 2018	-	23,016	23,016
Ending Balance, August 31,2018	<u>\$ 21,897</u>	<u>\$ -</u>	<u>\$ 21,897</u>

**TARRANT COUNTY JUVENILE SERVICES DEPARTMENT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018**

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 receipted in the year ended August 31, 2018 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, 2018
TJJD-E-2011-220	\$ 6,348
TJJD-E-2016-220	21,1661
TJJD-E-2017-220	105,804
TJJD-E-2018-220	<u>32,949</u>
Total	<u>\$ 166,762</u>

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 ended August 31, 2018 is required and presented below:

Local Funding Expended (less construction and capital outlay)

FY2018	\$ 21,593,431
FY2006	\$ 13,137,214

The juvenile probation department certified the financial match requirements were fulfilled in FY 2018.

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 receipted in the year ended August 31, 2018 is required and presented below.

Contract Number	Amount Received (Cash Basis) August 31, 2018
TJJD-P-2017-220	\$ 90,176
TJJD-P-2018-220	<u>537,844</u>
Total	<u>\$628,020</u>

**TARRANT COUNTY JUVENILE SERVICES DEPARTMENT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018**

b. The Texas Juvenile Justice Department provided approval for the County for the following funds: Grant W Juvenile Justice Alternative Education Program Discretionary Grant funds that 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, 2018	Amount Brought Forward From Fiscal Year August 31, 2018
TJJD-W-2018-220	-	-

c. The Texas Juvenile Justice Department provided the County the following funds for the Grant R-Regional Diversion Alternatives (RDA) Program Reimbursement Grant funds. A confirmation of revenue received in the year ended August 31, 2018 is required and presented below.

Contract Number	Amount Received (Cash Basis) August 31, 2018
TJJD-R-2018-220	<u>\$ 53,110</u>
Total	<u>\$ 53,110</u>

**TARRANT COUNTY JUVENILE SERVICES DEPARTMENT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2018**

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.