



**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, 2012

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 3100
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Independent Auditors' Report

Honorable George Gallagher, Chair
Tarrant County Juvenile Board
Fort Worth, Texas:

We have audited the combined statement of revenues, expenditures and changes in fund balance – budget and actual-regulatory basis for the year ended August 31, 2012 of the Tarrant County Juvenile Probation Department, Texas Juvenile Justice Department Grant Funds. This statement is the responsibility of the Department's management. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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 opinion.

As discussed more fully in note 1, the Tarrant County Juvenile Probation Department prepares its financial statement using accounting practices prescribed or permitted by the Texas Juvenile Justice Department, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statement of the variances between those regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The financial statement was prepared on the same basis of accounting used for reporting to the Texas Juvenile Justice Department, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

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 U.S. generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue it earned and expenditures incurred compared to budgeted revenues and expenditures of the Department's Texas Juvenile Justice Department Grant Funds for the year ended August 31, 2012 on the basis of accounting described in note 1.



In accordance with *Government Auditing Standards*, we have also issued a report dated January 10, 2013, 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, the Tarrant County Juvenile Board and for filing with 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

January 10, 2013



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

**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 the combined financial statement of Tarrant County Juvenile Probation Department (the Department), Texas Juvenile Justice Department Grant Funds as of and for the year ended August 31, 2012, and have issued our report thereon dated January 10, 2013. The financial statement is prepared on the same basis of accounting used for reporting to the Texas Juvenile Justice Department, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles and presents the results of operations of the Department's Texas Juvenile Justice Department Grant Funds only. 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

Management of the Department is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the 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 statement, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting.

A deficiency in internal control over financial reporting 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 over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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, JJAEP, and Title 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 Justice Department Audit Requirements is the responsibility of 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 and use of management, the Tarrant County Juvenile Board and for filing with 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

January 10, 2013

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)

Year Ended August 31, 2012

	State Aid (P11) Grant-A-2011-220			State Aid (P11) Grant-A-2012-220			Commitment Reduction (P21) Grant-C-2012-220		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:									
TJJD Funds	\$ 1,056,864	1,056,864	—	6,072,275	6,072,227	(48)	1,009,230	1,009,230	—
Total Revenues	<u>1,056,864</u>	<u>1,056,864</u>	<u>—</u>	<u>6,072,275</u>	<u>6,072,227</u>	<u>(48)</u>	<u>1,009,230</u>	<u>1,009,230</u>	<u>—</u>
Expenditures:									
Salaries and Fringe Benefits	818,227	818,227	—	3,833,337	3,833,337	—	—	—	—
Travel	32,521	32,521	—	147,362	147,314	48	—	—	—
Operating Expenditures	19,591	19,591	—	16,859	16,859	—	—	—	—
Non-Residential	186,525	151,195	35,330	813,019	813,019	—	1,009,230	1,009,230	—
Residential Services	—	—	—	1,261,698	1,261,698	—	—	—	—
Total Expenditures	<u>1,056,864</u>	<u>1,021,534</u>	<u>35,330</u>	<u>6,072,275</u>	<u>6,072,227</u>	<u>48</u>	<u>1,009,230</u>	<u>1,009,230</u>	<u>—</u>
Excess Revenues Over Expenditures	—	35,330	35,330	—	—	—	—	—	—
Fund Balance, Beginning of Period	—	—	—	—	—	—	—	—	—
Fund Balance, End of Period	<u>\$ —</u>	<u>35,330</u>	<u>35,330</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Additional information: Refunds paid to TJJD for the period of fiscal year 2012

Paid 9/25/12

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Footnote: Grant A – 2011 will be expended through 12/31/12.

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)

Year Ended August 31, 2012

	Special Needs Diversionary (P16) Grant-M-2012-220			JJAEP Start Up Operations (P27) Grant-P-2012-220			Prevention & Intervention (P24) Grant-S-2012-220		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:									
TJJD Funds	\$ 216,800	216,800	—	561,848	561,848	—	57,174	57,174	—
Total Revenues	<u>216,800</u>	<u>216,800</u>	<u>—</u>	<u>561,848</u>	<u>561,848</u>	<u>—</u>	<u>57,174</u>	<u>57,174</u>	<u>—</u>
Expenditures:									
Salaries and Fringe Benefits	205,212	205,212	—	—	—	—	32,532	25,124	7,408
Travel	11,588	11,588	—	—	—	—	1,674	538	1,136
Operating Expenditures	—	—	—	—	—	—	5,468	282	5,186
Non-Residential	—	—	—	561,848	561,848	—	17,500	339	17,161
Residential Services	—	—	—	—	—	—	—	—	—
Total Expenditures	<u>216,800</u>	<u>216,800</u>	<u>—</u>	<u>561,848</u>	<u>561,848</u>	<u>—</u>	<u>57,174</u>	<u>26,283</u>	<u>30,891</u>
Excess Revenues Over Expenditures	—	—	—	—	—	—	—	30,891	30,891
Fund Balance, Beginning of Period	—	—	—	—	—	—	—	—	—
Fund Balance, End of Period	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>30,891</u>	<u>30,891</u>

Footnote: Grant S will be expended through the first quarter of FY2013

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)

Year Ended August 31, 2012

	<u>IV-E Contracts</u> <u>Grant-E-2008-220</u> <u>Actual</u>	<u>IV-E Contracts</u> <u>Grant-E-2009-220</u> <u>Actual</u>	<u>IV-E Contracts</u> <u>Grant-E-2010-220</u> <u>Actual</u>	<u>IV-E Contracts</u> <u>Grant-E-2011-220</u> <u>Actual</u>	<u>IV-E Contracts</u> <u>Grant-E-2012-220</u> <u>Actual</u>
Revenues:					
TJJJ Funds	\$ —	—	(4,516)	187,037	485,551
Total Revenue	—	—	(4,516)	187,037	485,551
Expenditures:					
Salaries and Fringe Benefits	164,971	—	—	—	—
Travel	25,532	—	—	—	—
Operating Expenditures	48,538	—	—	—	—
Non-Residential	125,044	—	—	—	—
Residential Services	—	—	—	—	—
Total Expenditures	364,085	—	—	—	—
Excess Revenues Over Expenditures	(364,085)	—	(4,516)	187,037	485,551
Fund Balance, Beginning of Period	817,464	374,963	594,475	370,788	—
Fund Balance, End of Period	\$ 453,379	374,963	589,959	557,825	485,551

See accompanying notes to financial statements.

**JUVENILE BOARD OF TARRANTY COUNTY, TEXAS
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS**

Notes to Financial Statements

August 31, 2012

(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 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 statement was 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 statement is 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 statement does not represent a financial statement prepared in accordance with provisions for governmental funds as prescribed by the Governmental Accounting Standards Board.
- The accompanying financial statement is prepared in a format to facilitate uniform financial reporting by county probation departments.

(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:

<u>Accrued interest</u>	<u>Interest earned TJJD Funds FY2012</u>	<u>Interest earned IV-E Funds FY2012</u>	<u>Total interest</u>
Beginning balance – September 1, 2011	\$ 10,777	93,852	104,629
Interest earned on funds received from the period of 9/01/11 – 8/31/12	<u>681</u>	<u>3,392</u>	<u>4,073</u>
Total interest at August 31, 2012	11,458	97,244	108,702
Minus interest expenditures in FY 2012	<u>11,154</u>	<u>97,244</u>	<u>108,398</u>
Ending balance – August 31, 2012	<u>\$ 304</u>	<u>—</u>	<u>304</u>

**JUVENILE BOARD OF TARRANTY COUNTY, TEXAS
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS**

Notes to Financial Statements

August 31, 2012

(3) Operating Cost for a Secure Juvenile Facility

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

(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 ended August 31, 2012 is required and presented below. This includes receipts for direct and enhanced administrative foster care claims.

Title IV-E contract number	Amount received (cash basis) August 31, 2012
E-2012-220	\$ 485,551
E-2011-220	187,037
E-2010-220	(4,516)
	\$ 668,072

(5) Financial Match Requirement

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 September 30, 2012 is required and presented below:

Local funding expended (less construction and capital outlay)	
FY 2012	\$ 18,305,356
FY 2006	13,137,214

The juvenile probation department certified the financial match requirements were fulfilled in FY 2012.

**JUVENILE BOARD OF TARRANTY COUNTY, TEXAS
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS**

Schedule of Findings and Questioned Costs

August 31, 2012

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.