



**JUVENILE BOARD OF TARRANT COUNTY, TEXAS
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS**

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

August 31, 2010

(With Independent Auditors' Report Thereon)



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

Independent Auditors' Report

Honorable Bonnie Sudderth, Chair
Tarrant County Juvenile Board
Fort Worth, Texas:

We have audited the combined statement of revenues, expenditures and changes in fund balances by contract – budget and actual-regulatory basis for the year ended August 31, 2010 of the Tarrant County Juvenile Probation Department, Texas Juvenile Probation Commission 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 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 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 Probation Commission 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 results of operations of the Department's Texas Juvenile Probation Commission Grant Funds for the year ended August 31, 2010 in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 5, 2011, 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 Probation 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.

KPMG LLP

January 5, 2011



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 statements of Tarrant County Juvenile Probation Department, Texas Juvenile Probation Commission Grant Funds (the Department) as of and for the year ended August 31, 2010, and have issued our report thereon dated January 5, 2011. The financial statement is prepared on the same basis of accounting used for report to the Texas Juvenile Probation Commission, 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 Probation Commission 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

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 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 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, detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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, progressive sanctions, salary adjustment, 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 Probation Commission 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 Probation 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.

KPMG LLP

January 5, 2011

JUVENILE BOARD OF TARRANT COUNTY, TEXAS
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BY CONTRACT
 BUDGET AND ACTUAL (REGULATORY BASIS)
 Year Ended August 31, 2010

	State Aid TJPC-A-2010-220			Progressive Sanctions JPO-TJPC-F-2010-220			JJAEP TJPC-W-2010-220		
	Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance
Grant Revenues:									
TJPC	\$ 962,273	962,273	—	619,758	619,758	—	50,000	50,000	—
Interest	—	—	—	—	—	—	—	—	—
Total Revenue	<u>962,273</u>	<u>962,273</u>	<u>—</u>	<u>619,758</u>	<u>619,758</u>	<u>—</u>	<u>50,000</u>	<u>50,000</u>	<u>—</u>
Expenditures:									
Staff Services:									
Salaries and Fringe Benefits	784,982	784,982	—	619,758	619,758	—	—	—	—
Travel	36,096	36,096	—	—	—	—	—	—	—
Operating Expenses	—	—	—	—	—	—	—	—	—
Non-Residential Services	141,195	141,195	—	—	—	—	50,000	50,000	—
Residential Services	—	—	—	—	—	—	—	—	—
Total Expenditures	<u>962,273</u>	<u>962,273</u>	<u>—</u>	<u>619,758</u>	<u>619,758</u>	<u>—</u>	<u>50,000</u>	<u>50,000</u>	<u>—</u>
Excess Revenues Over Expenditures	—	—	—	—	—	—	—	—	—
Transfers	—	—	—	—	—	—	—	—	—
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>—</u>	<u>—</u>
Refunds Paid to TJPC Subsequent to August 31, 2010	\$ —	—	—	—	—	—	—	—	—

JUVENILE BOARD OF TARRANT COUNTY, TEXAS
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL (REGULATORY BASIS)
 Year Ended August 31, 2010

	Diversionary Placement TJPC-H-2010-220			Special Needs Diversionary TJPC-M-2010-220			Progressive Sanctions ISP TJPC-O-2010-220		
	Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance
Grant Revenues:									
TJPC	\$ 876,396	876,396	—	271,000	271,000	—	187,728	187,728	—
Interest	—	—	—	—	—	—	—	—	—
Total Revenue	<u>876,396</u>	<u>876,396</u>	<u>—</u>	<u>271,000</u>	<u>271,000</u>	<u>—</u>	<u>187,728</u>	<u>187,728</u>	<u>—</u>
Expenditures:									
Staff Services:									
Salaries and Fringe Benefits	—	—	—	271,000	271,000	—	187,728	187,728	—
Travel	—	—	—	—	—	—	—	—	—
Operating Expenses	—	—	—	—	—	—	—	—	—
Non-Residential Services	—	—	—	—	—	—	—	—	—
Residential Services	876,396	876,396	—	—	—	—	—	—	—
Total Expenditures	<u>876,396</u>	<u>876,396</u>	<u>—</u>	<u>271,000</u>	<u>271,000</u>	<u>—</u>	<u>187,728</u>	<u>187,728</u>	<u>—</u>
Excess Revenues Over Expenditures	—	—	—	—	—	—	—	—	—
Transfers	—	—	—	—	—	—	—	—	—
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>—</u>	<u>—</u>
Refunds Paid to TJPC Subsequent to August 31, 2010	\$ —	—	—	—	—	—	—	—	—

JUVENILE BOARD OF TARRANT COUNTY, TEXAS
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL (REGULATORY BASIS)
 Year Ended August 31, 2010

	JJAEP Start Up Operations TJPC-P-2010-220			Intensive Community Based Pilot TJPC-U-2010-220			Intensive Community Based Program TJPC-X-2010-220		
	Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance
Grant Revenues:									
TJPC	\$ 749,236	749,236	—	225,000	225,000	—	224,383	224,383	—
Interest	—	—	—	—	—	—	—	—	—
Total Revenue	<u>749,236</u>	<u>749,236</u>	<u>—</u>	<u>225,000</u>	<u>225,000</u>	<u>—</u>	<u>224,383</u>	<u>224,383</u>	<u>—</u>
Expenditures:									
Staff Services:									
Salaries and Fringe Benefits	—	—	—	93,149	93,145	4	197,059	197,051	8
Travel	—	—	—	773	773	—	6,233	6,233	—
Operating Expenses	—	—	—	—	—	—	—	—	—
Non-Residential Services	749,236	749,236	—	131,078	131,078	—	21,091	21,091	—
Residential Services	—	—	—	—	—	—	—	—	—
Total Expenditures	<u>749,236</u>	<u>749,236</u>	<u>—</u>	<u>225,000</u>	<u>224,996</u>	<u>4</u>	<u>224,383</u>	<u>224,375</u>	<u>8</u>
Excess Revenues Over Expenditures	—	—	—	—	4	4	—	8	8
Transfers	—	—	—	—	—	—	—	—	—
Fund Balance, Beginning of Period	—	—	—	—	—	—	—	—	—
Fund Balance, End of Period	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4</u>	<u>4</u>	<u>—</u>	<u>8</u>	<u>8</u>
Refunds Paid to TJPC Subsequent to August 31, 2010	\$ —	—	—	—	4	—	—	8	—

JUVENILE BOARD OF TARRANT COUNTY, TEXAS
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL (REGULATORY BASIS)

Year Ended August 31, 2010

	Community Corrections TJPC-Y-2010-220			Salary Adjustment TJPC-Z-2010-220		
	Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance
Grant Revenues:						
TJPC	\$ 1,772,467	1,772,467	—	501,600	501,600	—
Interest	—	—	—	—	—	—
Total Revenue	<u>1,772,467</u>	<u>1,772,467</u>	<u>—</u>	<u>501,600</u>	<u>501,600</u>	<u>—</u>
Expenditures:						
Staff Services:						
Salaries and Fringe Benefits	767,213	767,184	29	501,600	501,572	28
Travel	4,368	4,368	—	—	—	—
Operating Expenses	—	—	—	—	—	—
Non-Residential Services	298,915	298,915	—	—	—	—
Residential Services	701,971	701,971	—	—	—	—
Total Expenditures	<u>1,772,467</u>	<u>1,772,438</u>	<u>29</u>	<u>501,600</u>	<u>501,572</u>	<u>28</u>
Excess Revenues Over Expenditures	—	29	29	—	28	28
Transfers	—	—	—	—	—	—
Fund Balance, Beginning of Period	—	—	—	—	—	—
Fund Balance, End of Period	<u>\$ —</u>	<u>29</u>	<u>29</u>	<u>—</u>	<u>28</u>	<u>28</u>
Refunds Paid to TJPC Subsequent to August 31, 2010	\$ —	29	—	—	28	—

JUVENILE BOARD OF TARRANT COUNTY, TEXAS
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL (REGULATORY BASIS)

Year Ended August 31, 2010

	IV-E Contracts TJPC-E-2007-220 Actual	IV-E Contracts TJPC-E-2008-220 Actual	IV-E Contracts TJPC-E-2009-220 Actual	IV-E Contracts TJPC-E-2010-220 Actual	Interest Actual
Grant Revenues:					
TJPC	\$ —	24,422	81,162	219,417	—
Interest	—	—	—	16,764	3,243
Total Revenue	<u>—</u>	<u>24,422</u>	<u>81,162</u>	<u>236,181</u>	<u>3,243</u>
Expenditures:					
Staff Services:					
Salaries and Fringe Benefits	453,310	—	—	—	—
Travel	1,132	—	—	—	—
Operating Expenses	47,428	—	—	—	9,769
Non-Residential Services	644,425	—	—	—	2,677
Residential Services	90,765	—	—	—	—
Total Expenditures	<u>1,237,060</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>12,446</u>
Excess Revenues Over Expenditures	(1,237,060)	24,422	81,162	236,181	(9,203)
Transfers	—	—	—	—	—
Fund Balance, Beginning of Period	<u>1,957,622</u>	<u>909,142</u>	<u>197,829</u>	<u>—</u>	<u>39,901</u>
Fund Balance, End of Period	<u>\$ 720,562</u>	<u>933,564</u>	<u>278,991</u>	<u>236,181</u>	<u>30,698</u>
Refunds Paid to TJPC Subsequent to August 31, 2010	\$ —	—	—	—	—

See accompanying notes to financial statements.

JUVENILE BOARD OF TARRANTY COUNTY, TEXAS
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

(1) Summary of Significant Accounting Policies

(a) Entity

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

The Funds provide separate accountability as required under the State Financial Assistance Contract, by the Commission. 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 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 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.

**JUVENILE BOARD OF TARRANTY COUNTY, TEXAS
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS**

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

(2) Reconciliation of Accrued Interest

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

<u>Accrued Interest</u>	<u>Interest Earned Commission Funds Fiscal Year 2010</u>	<u>Interest Earned IV-E Funds Fiscal Year 2010</u>	<u>Total Interest</u>
Beginning Balance – September 1, 2009	\$ 39,901	69,200	109,101
Interest Accrued on Funds Received From the Period of 9/01/09 – 8/31/10	3,243	16,764	20,007
Total Accrued Interest at August 31, 2010	43,144	85,964	129,108
Minus Interest Expenditures in FY 2010	12,446	—	12,446
Ending Balance – August 31, 2010	<u>\$ 30,698</u>	<u>85,964</u>	<u>116,662</u>

(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 Probation Commission administers, along with the Texas Department of Family and Protective Services, the Title IV-E Program (CFDA 93.658). The Commission disburses funds to Tarrant County on a cost reimbursement basis. A confirmation of revenue received in the year ended August 31, 2010 is required and presented below. This includes receipts for direct and enhanced administrative foster care claims.

<u>Title IV-E Foster Care Contract Number</u>	<u>Amount Received (Cash Basis) August 31, 2010</u>
TJPC-E-2010-220	\$ 219,417
TJPC-E-2009-220	81,162
TJPC-E-2008-220	24,422
	<u>\$ 325,001</u>

**JUVENILE BOARD OF TARRANTY COUNTY, TEXAS
TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

AUGUST 31, 2010

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.