



**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, 2009

(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, 2009 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, 2009 in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 18, 2010, 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

February 18, 2010



**KPMG LLP**  
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**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 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, 2009, and have issued our report thereon dated February 18, 2010. 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, or detect and correct misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Department's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Department's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant 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 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

February 18, 2010

**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, 2009

	State Aid TJPC-A-2009-220			Progressive Sanctions JPO TJPC-F-2009-220			Progressive Sanctions 1-2-3 TJPC-G-2009-220		
	Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance
GRANT REVENUES:									
TJPC	\$ 760,052	760,052	—	613,499	613,499	—	202,053	202,053	—
Program Income	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—
Total Revenue	<u>760,052</u>	<u>760,052</u>	<u>—</u>	<u>613,499</u>	<u>613,499</u>	<u>—</u>	<u>202,053</u>	<u>202,053</u>	<u>—</u>
EXPENDITURES:									
Staff Services:									
Salaries and Fringe Benefits	586,420	570,508	15,912	613,499	613,499	—	202,053	202,053	—
Travel	55,508	49,890	5,618	—	—	—	—	—	—
Operating Expenses	—	—	—	—	—	—	—	—	—
Non-Residential Services	118,124	139,654	(21,530)	—	—	—	—	—	—
Residential Services	—	—	—	—	—	—	—	—	—
Total Expenditures	<u>760,052</u>	<u>760,052</u>	<u>—</u>	<u>613,499</u>	<u>613,499</u>	<u>—</u>	<u>202,053</u>	<u>202,053</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, 2009	\$ —	168 (1/26/2010)	—	—	6,259 (1/26/2010)	—	—	—	—

**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, 2009

	<b>Diversionary Placement TJPC-H-2009-220</b>			<b>Special Needs Diversionary TJPC-M-2009-220</b>			<b>Progressive Sanctions ISP TJPC-O-2009-220</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable) Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable) Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable) Variance</b>
GRANT REVENUES:									
TJPC	\$ 1,160,883	1,160,883	—	271,000	271,000	—	187,728	187,728	—
Program Income	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—
Total Revenue	<u>1,160,883</u>	<u>1,160,883</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	1,160,883	1,160,883	—	—	—	—	—	—	—
Total Expenditures	<u>1,160,883</u>	<u>1,160,883</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>

**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, 2009

	<b>JJAEP Start Up Operations TJPC-P-2009-220</b>			<b>Intensive Community Based Pilot TJPC-U-2009-220</b>			<b>Progressive Sanctions ISP TJPC-X-2009-220</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable) Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable) Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable) Variance</b>
GRANT REVENUES:									
TJPC	\$ 579,386	579,386	—	225,000	225,000	—	259,292	259,292	—
Program Income	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—
Total Revenue	<u>579,386</u>	<u>579,386</u>	<u>—</u>	<u>225,000</u>	<u>225,000</u>	<u>—</u>	<u>259,292</u>	<u>259,292</u>	<u>—</u>
EXPENDITURES:									
Staff Services:									
Salaries and Fringe Benefits	—	—	—	74,234	74,928	(694)	201,038	204,587	(3,549)
Travel	—	—	—	3,719	1,944	1,775	8,920	10,741	(1,821)
Operating Expenses	—	—	—	—	—	—	—	—	—
Non-Residential Services	579,386	579,386	—	147,047	148,128	(1,081)	49,334	43,964	5,370
Residential Services	—	—	—	—	—	—	—	—	—
Total Expenditures	<u>579,386</u>	<u>579,386</u>	<u>—</u>	<u>225,000</u>	<u>225,000</u>	<u>—</u>	<u>259,292</u>	<u>259,292</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>



**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, 2009

	<b>Community Corrections TJPC-Y-2009-220</b>			<b>Salary Adjustment TJPC-Z-2009-220</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable) Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable) Variance</b>
<b>GRANT REVENUES:</b>						
TJPC	\$ 1,772,467	1,772,467	—	501,558	501,558	—
Program Income	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Total Revenue	<u>1,772,467</u>	<u>1,772,467</u>	<u>—</u>	<u>501,558</u>	<u>501,558</u>	<u>—</u>
<b>EXPENDITURES:</b>						
Staff Services:						
Salaries and Fringe Benefits	789,797	767,035	22,762	501,558	501,558	—
Travel	10,979	3,032	7,947	—	—	—
Operating Expenses	—	—	—	—	—	—
Non-Residential Services	204,795	255,583	(50,788)	—	—	—
Residential Services	766,896	746,817	20,079	—	—	—
Total Expenditures	<u>1,772,467</u>	<u>1,772,467</u>	<u>—</u>	<u>501,558</u>	<u>501,558</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>
Refunds Paid to TJPC Subsequent to August 31, 2009	—	—	—	—	42 (10/13/2009)	—

**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, 2009

	<u>IV-E Contracts</u> <u>TJPC-E-2006-220</u> <u>Actual</u>	<u>IV-E Contracts</u> <u>TJPC-E-2007-220</u> <u>Actual</u>	<u>IV-E Contracts</u> <u>TJPC-E-2008-220</u> <u>Actual</u>	<u>IV-E Contracts</u> <u>TJPC-E-2009-220</u> <u>Actual</u>	<u>Interest</u> <u>Actual</u>
<b>GRANT REVENUES:</b>					
TJPC	\$ —	—	104,342	128,382	—
Program Income	—	—	—	247 *	—
Interest	—	—	—	69,200	18,892
Total Revenue	<u>—</u>	<u>—</u>	<u>104,342</u>	<u>197,829</u>	<u>18,892</u>
<b>EXPENDITURES:</b>					
Staff Services:					
Salaries and Fringe Benefits	—	453,284	—	—	—
Travel	—	3,402	—	—	—
Operating Expenses	—	49,221	—	—	13,519
Non-Residential Services	767,100	532,829	—	—	3,138
Residential Services	—	256,613	—	—	—
Total Expenditures	<u>767,100</u>	<u>1,295,349</u>	<u>—</u>	<u>—</u>	<u>16,657</u>
EXCESS REVENUES OVER EXPENDITURES	(767,100)	(1,295,349)	104,342	197,829	2,235
Transfers	—	—	—	—	—
Fund Balance, Beginning of Period	<u>767,100</u>	<u>3,252,971</u>	<u>804,800</u>	<u>—</u>	<u>37,666</u>
Fund Balance, End of Period	<u>\$ —</u>	<u>1,957,622</u>	<u>909,142</u>	<u>197,829</u>	<u>39,901</u>

\* Sale of an asset previously purchased with TJPC funds.

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

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2009

**(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, 2009

**(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 2009</u>	<u>Interest Earned IV-E Funds Fiscal Year 2009</u>	<u>Total Interest</u>
Beginning balance – September 1, 2008	\$ 37,666	—	37,666
Interest accrued on funds received from the period of 9/01/08 – 8/31/09	18,892	69,200	88,092
Total Accrued Interest at August 31, 2009	56,558	69,200	125,758
Minus Interest Expenditures in FY 2009	16,657	—	16,657
Ending Balance – August 31, 2009	\$ 39,901	69,200	109,101

**(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, 2009 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, 2009</u>
TJPC-E-2009-220	\$ 128,382
TJPC-E-2008-220	104,342
	\$ 232,724

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

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2009

**(5) Progressive Sanctions Officers**

The following shows the funding awarded to Tarrant County for the Progressive Sanctions Officers, in fiscal years 1996-1999, expenditures and any unexpended balance. Total positions by award are listed within the State Financial Assistance Contract under 4.1.1.4 for (Grant “F”) – Progressive Sanctions JPO and 4.1.1.7 for (Grant “O”) Progressive Sanctions ISJPO. Funds that become available during the term of the State Financial Assistance Contract due to vacant Progressive Sanctions positions shall be returned to the Commission at the end of the State Financial Assistance Contract term.

<u>Contract Section</u>	<u>Awarded Funding</u>	<u>Expenditures</u>	<u>Unexpended Balance</u>
Grant F-FY2009:			
Progressive Sanctions JPO:			
A. Basic PSO Fiscal Year 98-99			
\$27,567	\$ 220,536	214,277	6,259*
B. Basic PSO Fiscal Year 96-97			
\$22,179	399,222	399,222	—
Grant O-FY2009:			
Progressive Sanctions ISJPO:			
A. ISP PSO Fiscal Year 98-99			
\$27,240	81,720	81,720	—
B. ISP PSO Fiscal Year 96-97			
\$26,502	106,008	106,008	—
	<u>\$ 807,486</u>	<u>801,227</u>	<u>6,259*</u>

\* Returned to TJPC Due to Vacancy

**(6) Salary Adjustment**

The grant funds made available for salary adjustments under Title IV of this grant were used only to provide salary adjustments not exceeding \$3,000 for eligible full-time certified juvenile probation officers and \$1,500 for eligible full-time certified juvenile detention officers including fringe benefits. All funds not used for this purpose were returned to the Commission in accordance with the Unexpended Balances and Refunds Due provisions of the General Grant requirements.

Total Population	104 Certified Juvenile Probation Officers
Sample Size	30 Certified Juvenile Probation Officers

All positions tests for compliance with contract assurance shown above were correctly certified and paid. Tarrant County awards the salary adjustment exclusively to Juvenile Probation Offices, therefore the population was limited to those types of offices.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

AUGUST 31, 2009

No Current Year Findings

No Prior Year Findings