

***CALDWELL COUNTY JUVENILE
PROBATION DEPARTMENT***

AUDIT OF CONTRACT FUNDS

***FOR THE YEAR ENDED
AUGUST 31, 2020***

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Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Members of the Board
Caldwell County Juvenile Probation Board
Caldwell County, Texas

We have audited the accompanying financial statements of the Texas Juvenile Justice Department Grant Funds of Caldwell County Juvenile Probation Department (Department), which comprise the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Regulatory Basis) for the year ended August 31, 2020 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.

Auditor's 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 *Generally Accepted Government Auditing Standards* issued by the United States Government Accountability Office. 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 of 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 auditor's 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 Department'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 Department'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, 2020, in accordance with the financial reporting provisions of the Texas Juvenile Justice Department as described in Note 1.

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 Texas Juvenile Justice Department. Our opinion is not modified with respect to this matter.

Emphasis of Matter

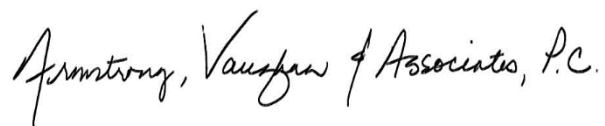
As discussed in Note 1, the financial statement presents the results of operations of the Department's Texas Juvenile Justice Department Grant Funds only and is not intended to present fairly the results of operations of Caldwell County or the Caldwell County Juvenile Probation Department in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Generally Accepted Government Auditing Standards*, we have also issued our report dated February 8, 2021, 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 *Generally Accepted Government Auditing Standards* in considering Caldwell County Juvenile Probation Department's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of management, Caldwell County, others within Caldwell 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.



Armstrong, Vaughan & Associates, P.C.

February 8, 2021

CALDWELL COUNTY
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, 2020

	STATE AID GRANT A - 2020 - 028			STATE AID GRANT R - 2020 - 028		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
TJJD Funds	\$ 396,124	\$ 396,124	\$ -	\$ 139,880	\$ 139,880	\$ -
TOTAL REVENUES	<u>396,124</u>	<u>396,124</u>	<u>-</u>	<u>139,880</u>	<u>139,880</u>	<u>-</u>
EXPENDITURES						
Basic Supervision Services	164,650	164,650	-	-	-	-
Community Programs	101,117	101,117	-	-	-	-
Pre & Post Adjudication	66,383	66,383	-	-	-	-
Commitment Diversion	38,206	38,206	-	-	-	-
Mental Health Services	25,768	25,768	-	-	-	-
Regional Diversion Alternatives	-	-	-	139,880	139,880	-
TOTAL EXPENDITURES	<u>396,124</u>	<u>396,124</u>	<u>-</u>	<u>139,880</u>	<u>139,880</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Information: Refunds Paid to TJJD

10/21/2020	\$ -		\$ 3,080
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The accompanying notes are an integral part of these financial statements.

CALDWELL COUNTY
NOTES TO STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE
FOR THE YEAR ENDED AUGUST 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Entity

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

The Funds provide separate accountability as required under the State Financial Assistance Contract, by TJJJ. The funds are used to account for each separate program, matching funds and all related expenditures incurred.

Caldwell County Juvenile Probation Department is a specialized local entity in Caldwell County, Texas. The State provides specific grants for funding select operations of this Department. This audit is solely for the purpose of ensuring that state grants to this department were received and dispersed in accordance with the specific state grant procedures and policies.

B. Accounting Policies

The accounting policies of the Caldwell County Juvenile Probation Department are prepared in a format to facilitate uniform financial reporting by county probation departments and do not present financial data in accordance with generally accepted accounting principles prescribed by the Governmental Accounting Standards Board.

C. Basis of Accounting

The financial statements were prepared in conformity with the accounting practices prescribed by TJJJ, which prescribes policies and procedures for county probation departments, which is a comprehensive basis of accounting other than generally accepted accounting principles. The regulatory basis was used to comply with the reporting rules and regulations of the Texas Juvenile Justice Department. 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 statement does not represent financial statements prepared in accordance with provisions for governmental funds as prescribed by the Governmental Accounting Standards Boards.
- The accompanying statement is prepared in a format to facilitate uniform financial reporting by county probation departments.

CALDWELL COUNTY JUVENILE PROBATION DEPARTMENT
 NOTES TO STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (CONTINUED)
 FOR THE YEAR ENDED AUGUST 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

D. Fiscal Years

All grants audited had a fiscal year of September 1 to August 31.

E. Refund Owed to State

At year end, the Texas Juvenile Justice Department requires any unused grant funds be refunded to the state. As of August 31, 2020, there is a \$3,080 refund owed to the state related to unexpended Grant R-2020-028 funding.

NOTE 2: RECONCILIATION OF INTEREST EARNED

During the course of the year the Department had idle funds. Idle funds are invested in an interest bearing account. The following is presented in accordance with Chapter 341 of the Texas Administrative Code Sec. 6(f) relating to *Investment of Idle Funds Requirements* which states that interest accrued on funds received from TJJD shall be considered generated income and shall be reported to TJJD as such.

	Interest Earned TJJD Funds FY 2020	Interest Earned Title IV - E FY 2020	Total Interest
	<u> </u>	<u> </u>	<u> </u>
Beginning balance, September 1, 2019	\$ -	\$ 42,374	\$ 42,374
Interest earned on funds received from the period of 9/1/19 - 8/31/20	<u>6,110</u>	<u>432</u>	<u>6,542</u>
Total interest at August 31, 2020	6,110	42,806	48,916
Minus interest expenditures in FY 2020	<u>(6,110)</u>	<u>-</u>	<u>(6,110)</u>
Ending balance, August 31, 2020	<u>\$ -</u>	<u>\$ 42,806</u>	<u>\$ 42,806</u>

NOTE 3: OPERATING COSTS FOR A SECURE JUVENILE FACILITY

The Department does not operate a secure juvenile facility.

CALDWELL COUNTY JUVENILE PROBATION DEPARTMENT
 NOTES TO STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (CONTINUED)
 FOR THE YEAR ENDED AUGUST 31, 2020

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 Caldwell County Juvenile Probation Department on a cost reimbursement basis. A confirmation of revenue receipted in the year ending August 31, 2020, is required; however, the Department did not receive any Federal financial assistance or receipts for direct and enhanced administrative foster care claims during the year ended August 31, 2020.

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 September 30, 2020 is required and presented below:

	Local Funding Expended (Less Construction and Capital Outlay)
FY 2020	\$ 583,883
FY 2006	\$ 184,290

Caldwell County Juvenile Probation Department's financial match requirements were fulfilled in FY 2020. However, the financial match certification has not been completed as of the date of this report, February 8, 2021.

NOTE 6: STATE FINANCIAL ASSISTANCE

The Caldwell County Juvenile Probation Department did not receive funds for the JJAEP Juvenile Reimbursement Grant funds, Grant W Juvenile Justice Alternative Education Program Discretionary Grant funds or Grant R-Travis County JPD Regionalization Program Reimbursement Grant funds during the year ended August 31, 2020.

The Texas Juvenile Justice Department provided the County the following funds for the Grant R-Regional Diversion Alternative (RDA) Program Reimbursement Grant funds. A confirmation of revenues receipted in the year ending August 31, 2020 is required and presented below.

Contract Number	Amount Received (Cash Basis) August 31, 2020
R-2020-028	\$ 172,458
Total	<u>\$ 172,458</u>



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

Members of the Board
The Caldwell County Juvenile Board
Caldwell County, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States, the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Regulatory Basis of the Texas Juvenile Justice Department Grant Funds of Caldwell County Juvenile Probation Department, and have issued our report thereon dated February 8, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Caldwell 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 opinion on the financial statements and compliance with laws, regulations, contracts, grant agreements or instances of fraud, including the specific financial assurances contained in Section VIII.J. of the General Grant Requirements and any Target Grant requirements, but not for the purpose of expressing an opinion on the effectiveness of Caldwell County Juvenile Probation Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Caldwell 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 Department'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 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 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 Caldwell County Juvenile Probation 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, 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 *Generally Accepted Government Auditing Standards* or TJJD's audit requirements.

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 Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Generally Accepted Government Auditing Standards* in considering the Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Armstrong, Vaughan & Associates, P.C.

February 8, 2021

CALDWELL COUNTY JUVENILE PROBATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2020

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

CALDWELL COUNTY JUVENILE PROBATION DEPARTMENT
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2020

There were no findings or questioned costs in the prior year. However, an audit of the Texas Juvenile Justice Department Grant funds of Caldwell County was not performed in the prior year as the Department received an exemption from TJJD.

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