

AUSTIN COUNTY, TEXAS
TEXAS JUVENILE JUSTICE DEPARTMENT
GRANT FUNDS

FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

AND
INDEPENDENT AUDITORS' REPORT

AUSTIN COUNTY, TEXAS
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Honorable Judge Daniel Leedy
Juvenile Board of Austin County, Texas

Report on the Audit of the Aggregate Financial Statement

Opinion

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 Texas Juvenile Justice Department Grant Funds of Austin County, Texas (the "Department") for the year ended August 31, 2023, and the related notes to the aggregate financial statement, which collectively comprise the Department's aggregate financial statement as listed in the table of contents. In our opinion, the accompanying aggregate financial statement referred to above represents fairly, in all material respects, the revenues earned and expenditures incurred compared to budgeted revenues and expenditures of the Department for the year ended August 31, 2023 in accordance with the financial reporting provisions of the Texas Juvenile Justice Department (TJJD) as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standard). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Aggregate Financial Statement section of our report. We are required to be independent of Austin County, Texas (the "County") and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 TJJD, 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 TJJD. Our opinion is not modified with respect to this matter.

Emphasis of Matter – Presentation

As discussed in Note 1, the aggregate financial statement of the Department is intended to present the revenues earned and expenditures incurred and changes in fund balance budget and actual of only that portion of the government activities, each major fund and the aggregate remaining fund information of the County that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the County as of August 31, 2023 or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Aggregate Financial Statement

Management is responsible for the preparation and fair presentation of the aggregate financial statement in accordance with financial reporting provisions of TJJD; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of aggregate financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Aggregate Financial Statement

Our objectives are to obtain reasonable assurance about whether the aggregate financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the aggregate financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. Identify and assess the risks of material misstatement of the aggregate financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the aggregate financial statement.

Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the aggregate financial statement.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023, on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing, and not to provide an opinion on the effectiveness of the Department's 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 Department's internal control over financial reporting and compliance.

Restrictions of Use

This report is intended solely for the information and use of the TJJD, the Board of Criminal Court Judges of Austin County, Texas, Austin County Commissioners Court, and others within the Department and is not intended to be and should not be used by anyone other than these specified parties.

Trick & Co., P.C.

La Grange, Texas
February 15, 2024



TEXAS
JUVENILE ★ JUSTICE
DEPARTMENT

March 18, 2024

Kortney Estep
Chief Juvenile Probation Officer
1 E. Main
Bellville, TX 77418

RE: Acceptance Letter: Austin County Independent Audit (FY2023)

Dear Kortney Estep:

The audit report for the year ended August 31, 2023, has been reviewed by the Fiscal Division of the Texas Juvenile Justice Department and has been accepted.

Although your report, records, and working papers of the auditor will remain subject to review by appropriate state auditors and Texas Juvenile Justice Department program and fiscal monitors, we will consider the audit closed.

Thank you and your auditor for your attention and cooperation in the completion of the audit report. If you need additional information, please contact me at (512) 490-7109.

Sincerely

Paul S. Alamo

Paul S. Alamo
Grant Coordinator V

FINANCIAL STATEMENT

AUSTIN COUNTY, TEXAS

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, 2023

Grant A-2023-008			
	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
TJJD Funds	\$ 225,054	\$ 225,054	\$ -
Total Revenues	225,054	225,054	-
Expenditures			
Court Intake	17,168	17,168	-
Direct Supervision	84,624	84,624	-
Youth Services	2,828	2,828	-
Mental Health Assessments	1,400	1,400	-
Community Based Programs (General)	70,231	70,231	-
Community Based Programs (Mental Health)	1,640	1,640	-
Residential Programs and Services	129	129	-
Post-Adjudication (Non-Secure)	13,340	13,340	-
Post-Adjudication (Secure)	9,044	9,044	-
Detention-Pre-Adjudication	24,650	24,650	-
Total Expenditures	225,054	225,054	-
Excess Revenues over Expenditures	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

Additional Information: Refunds Paid to TJJD. (Include all refunds whether paid at or subsequent to year-end)

None

The accompanying notes are an integral part of this financial statement.

**AUSTIN COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ENTITY

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

The Funds provide separate accountability as required by TJJD under the State Financial Assistance Contract. 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, and which constitute 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

The Department does not invest funds in a separate investment account. The Department rarely has excess funds and therefore the difference in the rate of return from an investment account and the rate of return earned from a cash account is immaterial. Therefore, the Department does not consider it necessary to invest funds in a separate investment account. The Department earned \$385 in interest earnings related to the demand cash account in the current fiscal year. Due to the amount of this interest income attributable to TJJD funds being negligible, allocation was not made to the individual grants.

NOTE 3: OPERATING COST FOR A SECURE JUVENILE FACILITY OPERATED BY YOUR COUNTY

The Department does not operate a secure juvenile facility.

**AUSTIN COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023**

NOTE 4: FEDERAL FINANCIAL ASSISTANCE

The Texas Juvenile Justice Department, along with the Texas Department of Family and Protective Services administers the Title IV-E Program (CFDA 93.658). TJJD disburses funds to Austin County on a cost reimbursement basis. A confirmation of revenue receipted in the year ending August 31, 2023 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) <u>August 31, 2023</u>
E-2017-008	\$ *
E-2018-008	*
E-2019-008	*
E-2020-008	*
E-2023-008	*
Total	\$ <u>*</u>

* Austin County did not receive any Title IV-E Foster Care grant monies for the fiscal years listed above.

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 equal to or greater than the amount spent in the 2006 county fiscal year, excluding construction and capital outlay expenses unless waived in accordance with provisions of the State Financial Assistance Fund grant. A confirmation of local funds for the year ending August 31, 2023 is required and presented below:

	<u>Local Funding Expended (less construction and capital outlay)</u>
FY 2023	\$ 143,877
FY 2006	\$ 93,488

The juvenile probation department certified the financial match requirements were fulfilled in FY 2023.

NOTE 6: STATE FINANCIAL ASSISTANCE

- a. Not applicable
- b. Not applicable
- c. Not applicable
- d. Not applicable



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Judge Daniel Leedy
Austin County Juvenile Board
Austin 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 Texas Juvenile Justice Department (TJJD) Grant Funds of Austin County (the "Department") for the year ended August 31, 2023, and the related notes to the aggregate financial statement, which collectively comprise the Department's aggregate financial statement, and have issued our report thereon dated February 15, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the aggregate financial statement and tests of compliance with provisions of laws, regulations, contracts and grant agreements, including the specific financial assurances contained in Section VIII.J of the General Grant Requirements, we considered the Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the effectiveness of Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Department's aggregate 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 purposes 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 less limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's aggregate financial statement is free from material misstatements, 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 aggregate financial statement. However, providing an opinion on a 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 Department'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 Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

La Grange, Texas
February 15, 2024

**AUSTIN COUNTY, TEXAS
JUVENILE PROBATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2023**

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

**AUSTIN COUNTY, TEXAS
JUVENILE PROBATION DEPARTMENT
SCHEDULE OF PRIOR-YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2023**

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