



Texas Juvenile Justice Department

## **AUDIT REQUIREMENTS**

Issued October 2025

For the Fiscal Year Ended August 31, 2025

### **I. Introduction**

The Texas Juvenile Justice Department (TJJD) requires that an independent audit be completed annually, unless a waiver has been granted, for grant funds received from TJJD. The audit must be completed in accordance with: Generally Accepted Auditing Standards (GAGAS) produced by the Government Accountability Office (GAO) and this document. The audit report for the fiscal year ended August 31, 2025, must be sent in sufficient time in order for the report to be received by TJJD no later than March 1 of the subsequent year. **Departments are encouraged to send the audit reports electronically in PDF format to facilitate timely processing. Reports may be sent to the following email address - [Probation.Independent.Audits@tjjd.texas.gov](mailto:Probation.Independent.Audits@tjjd.texas.gov). Reports received after March 1, 2026, are considered delinquent.** Departments should provide their independent auditor a copy of these audit requirements, each grant contract, grant allocation amounts, and final budgets as obtained via the Grant Manager interface. Forms such as prior year audit requirements, TJJD grants and information regarding each grant can be found at [www.tjjd.texas.gov](http://www.tjjd.texas.gov). NOTE: To review and/or print prior-year grant summary requirements, enter <http://www.tjjd.texas.gov/index.php/document-library/search> Under Search Keyword type in Audit Requirements.

The TJJD audit staff will assist you in completing any requests made regarding the following audit requirements.

### **II. Changes – FY 2025**

Changes have been made to the fiscal year 2024 audit requirements as follows:

#### **A. Section III:**

- a. FY -2025 allowable rates for mileage are as follows: September 1, 2024 – December 31, 2024/67 cents per mile; January 1, 2025 – August 31, 2025/70 cents per mile. Mileage rates are located at the following link: <https://fmx.cpa.texas.gov/fmx/travel/texttravel/rates/current.php>
- b. All grant titles have been updated to reflect the current practices of the agency.

- C. Departments are encouraged to send the audit reports electronically in PDF format to facilitate timely processing. Reports may be sent to the following email address - [Probation.Independent.Audits@tjjd.texas.gov](mailto:Probation.Independent.Audits@tjjd.texas.gov).

### **III. Special Considerations**

The following items should be considered in preparing the audit report for the year ended August 31, 2025:

- A. The balance sheet is optional.
- B. The Statement of Revenues, Expenditures, and Changes in Fund Balance for each grant is limited to funds received from TJJJ (i.e., State Financial Assistance, Border Justice Project, DSARES, DSACP, MST, Pilot, PREA, Risk & Needs, etc.). The **final approved budget** should be presented in the Statement of Revenues and Expenditures and Changes to Fund Balance by Contract-Budget to Actual. The following grants should be accounted for in the audit report. Certain grant funds will no longer be required to be reported in the Statement of Revenues and Expenditures, but their revenue activity is required to be disclosed in the footnotes. The following table summarizes the requirements.

	Reported in Statement of Revenues and Expenditures-Budget to Actual for the Year Ended 8/31/2025	Reported in Statement of Revenues and Expenditures-Budget to Actual for the Period Ended 8/31/2025 (Cumulative Basis)	TJJJ Grant Revenue Received in the Current Year Disclosed in Notes to Financial Statements Only
State Aid & Targeted Grants	Yes	No	No
Border Children’s Justice Project	Yes	No	No
Harris County Leadership Academy	Yes	No	No
Grant Detention Reimbursement	No	No	Yes
Residential Project - DSA (DSA-RES)	Yes	No	No
Title IV-E Federal Foster Care Program	No	No	Yes
Community Project - DSA (DSA-CP)	Yes	No	No
Prevention and Intervention - DSA	Yes	No	No
Detention Project (DSA-DET)	Yes	No	No
Regional Diversion Alternatives Program - DSA (Reimbursement)	No	No	Yes
Special Needs Diversionary Program	Yes	No	No
Grant MST – Multi-Systemic Therapy	Yes	No	No
Grant Pilot – Vocation: Pilot Program	Yes	No	No
Juvenile Justice Alternative Education Program (JJAEP Reimbursement)	No	No	Yes
Juvenile Justice Alternative Education Program (JJAEP Discretionary)	No	Yes	No
Grant PREA – PREA Audit Assistance	Yes	No	No
Grant R – Travis County JPD Regionalization (Reimbursement)	No	No	Yes
Grant Risk & Needs – Risk & Needs Assessment	Yes	No	No
Grant S&E- Supplemental and Emergent	Yes	No	No

Salary Adjustment Grant	Yes	Yes	Yes
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- C. The Grantee should use the accrual basis of accounting when preparing the fourth quarter and/or final expenditure report (i.e., grant revenues and expenses are allocated to periods to which they apply, regardless of when they are actually received or paid).
- D. Since the revenues are reported on the accrual basis of accounting on the financial statements, refunds paid to TJJD either during the year or subsequent to year-end should not be presented in the Statement of Revenues, Expenditures, and Changes in Fund Balance, but should be provided as additional information below the Statement.
- E. A note disclosing TJJD’s funding effect on all secure facility operations is mandatory. A separate expenditure schedule should be provided for each secure facility registered with TJJD for TJJD funding effect and/or local funding effect on all secure facility operations. TJJD expenditures disclosed should agree with the financial statements (i.e., the expenditures reported for a secure juvenile facility should agree with the expenditures for the respective grant [A and C]), or a reconciliation should be included. If the Department does not operate a secure juvenile facility, the note should include a disclosure stating that the Department does not operate a secure juvenile facility and thus the footnote to disclose operating costs to operate a secure juvenile facility is not applicable.
- F. TJJD requires a financial statement presentation that may result in an incomplete presentation of a Department’s assets, liabilities, revenue and expenses. The independent auditor should note that financial statements are presented in accordance with the financial reporting provisions of the TJJD and are not intended to present the financial position or changes in financial position of the County.
- G. The year-to-date interest earned on funds received from TJJD should be disclosed in the notes to the combined financial statements only. A separate column should be included to disclose interest earned on Title IV-E program funds if applicable. If the juvenile probation office did not earn interest on funds received from TJJD, the column for TJJD funding should report “0”. If the juvenile probation office did not earn interest on Title IV-E program funds, the column for Title IV-E funding should report “0”.
- H. Idle grant funds shall be deposited in an interest-bearing account. A statement disclosing whether the Department has idle funds and whether they are deposited in an interest-bearing account is required. If the Department does not have idle funds, a statement and reason indicating why the Department does not have idle funds should be included.
- I. A confirmation of all reimbursements received under the Title IV-E Program (if applicable) should be disclosed by program year in the notes to the financial statements on a cash basis. This includes any direct and enhanced administrative claims for foster care reimbursement.
- J. A confirmation of all reimbursements received under the Juvenile Justice Alternative Education Program (if applicable) should be disclosed by program year in the notes to financial statements on a cash basis.
- K. A confirmation of all reimbursements received under the Regional Diversion Alternatives Program (if applicable) should be disclosed by program year in the notes to financial statements on a cash basis.
- L. A confirmation of all reimbursements received under the Travis County JPD Regionalization Program (if applicable) should be disclosed by program year in the notes to financial statements on a cash basis.
- M. The audit shall include, as part of the Report on Compliance and Internal Control, the specific financial assurances contained in Section VIII.I. of the General Grant Requirements and any targeted grant requirements. The audit shall

include an opinion on whether or not Grantee complied with the applicable assurances. A summary of all material instances of non-compliance and an identification of the total amount of funds in question for each assurance shall be included in the audit.

- N. The FY 2025 state allowable rates for mileage are: September 1, 2024– December 31, 2024/67 cents per mile January 1, 2025– August 31, 2025/70 cents per mile.
- O. The Grantee shall ensure that county funding for juvenile services (i.e., juvenile probation services and juvenile justice programs) shall not be decreased or be supplanted by funding received under the State Aid and Targeted Grants Contract. The Grantee shall certify that the amount of local or county funds expended for juvenile services is equal to or greater than the amount spent in the **2022** county fiscal year, excluding construction and capital outlay expenses unless waived in accordance with provisions of the State Aid and Targeted Grants Contract.

#### IV. Audit Requirements

Audits are to be prepared by an independent certified public accountant and must be conducted in accordance with GAO and GAGAS. Audits are completed to cover the grant activity for the 12-month period ending August 31, 2025.

Expenditures for State Aid should be presented in the categories of **Court Intake, Direct Supervision, Youth Services, Mental Health Assessments, Community-Based Program (General), Community-Based Program (Mental Health), Residential Programs and Services, Post-Adjudication (Non-Secure), Post Adjudication (Secure), Pre-Adjudication/Detention and Residential Mental Health Placement** as defined below:

- A. Court Intake (CI): Administrative costs; non-caseload carrying employees; general expenses for probation department as a whole (i.e., paper, pens, phone, independent audit).
- B. Direct Supervision (DS): Caseload carrying employees and their direct supervisors and related costs.
- C. Youth Services (YS): Non-residential services for juveniles still in the community (i.e. drug testing, electronic monitoring, items for juveniles, transportation to services).
- D. Mental Health Assessments (MHA): psychological and other MH assessments (not MAYSI).
- E. Community-Based Program (General) (CBPG): programs offered within the department or on the department's behalf for juveniles still in the community (i.e., counseling, life skills).
- F. Community-Based Program (Mental Health) (CBPMH): mental health focused programs offered within the department or on the department's behalf for juveniles (MH diagnosis or sex offender) still in the community (i.e., counseling, life skills).
- G. Residential Programs and Services (RP): non-residential program or service for juveniles who are in placement (pre/post/detention) not included in the facilities daily rate (i.e., medications, transport to/from placement).
- H. Post-Adjudication (Non-Secure) (PANS): costs associated with the placement of juveniles in a secure post-adjudication facility.
- I. Post-Adjudication (Secure) (PAS): costs associated with the placement of juveniles in a secure post-adjudication facility.
- J. Pre-Adjudication/Detention (DPA): costs associated with the placement of juveniles in pre-adjudication or detention facility.

- K. Residential Mental Health Placement (RMHP): costs associated with the placement of a sex offender or juvenile with a mental health diagnosis; post-adjudication only (secure or non-secure).

## V. Financial Statement Requirements

The following elements should be included in the audited financial statements:

- A. Independent Auditor's Report.
- B. Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Regulatory Basis. The financial statements should include all TJJJ grant funds. The Statement should be prepared using the accrual basis of accounting. Refunds paid to TJJJ either during or subsequent to year-end should be included below the Statement for memo purposes only since revenues would be reflected to the extent earned. Note that the JJAEP Discretionary Grant should be presented in a separate Statement of Revenues and Expenditures—Budget to Actual on a cumulative basis (only if approved to be spent over a two-year period). If approved to be spent in the same fiscal year as awarded, the grant funds should be presented in the Statement of Revenues and Expenditures along with other funds.
- C. Notes to the Financial Statements. The notes should, at a minimum, include:
  - 1. Summary of significant accounting policies, which should include a description of the following:
    - a. The reporting entity.
    - b. Basis of accounting (accrual basis).
  - 2. Reconciliation of interest earned on funds received from TJJJ, as follows:
    - a. The beginning balance, interest earned, interest expenditures, and ending balance.
    - b. A separate column to disclose interest earned on Title IV-E funds.
    - c. A statement indicating whether the Department has idle funds and if so, whether they were deposited in an interest-bearing account.
  - 3. The operating costs of secure juvenile facilities. A separate expenditure schedule should be provided for each secure facility registered with TJJJ. In a facility with non-secure and secure capacity, an allocation based on beds can be used, including funding from TJJJ grants and reimbursement program funds.
    - a. If the juvenile probation department does not operate a secure juvenile facility, the note should include a disclosure stating that the county does not operate a secure juvenile facility and thus the footnote to disclose operating costs to operate a secure juvenile facility is not applicable.
    - b. The schedule of expenditures for each secure facility registered with TJJJ must include expenditures from TJJJ grants, reimbursement program funds and local funds, as applicable.
      - i. Other TJJJ expenditures disclosed in the note should agree with the financial statements, or a reconciliation should be included.
    - c. The categories of expenditures are as follows:

- i. **Salary and Fringe Benefits related expenditures** - Include any salary and fringe benefits paid to employees of the facility or a portion of salary and fringe that is allocated based on time dedicated to facility operation.
  - ii. **Travel and Training related expenditures** - Include all expenditures paid by the facility administration for travel and training expenses.
  - iii. **Operating related expenditures** - Include operating expenses such as utilities, building maintenance cost, office supplies and equipment.
  - iv. **Inter-County Contracts related expenditures** - Include all expenditures paid from county to county.
  - v. **External Contracts related expenditures** - Include all expenditures paid between the county and private entities.
4. Federal Financial Assistance. Departments receiving Title IV-E federal financial assistance are required to include a note disclosing receipts, on a cash basis, including direct and enhanced administrative claims for foster care, identified by contract/fiscal year.
5. Financial Match Requirements.
  - a. Certification of Local Expenditures for Matching Requirements. The Grantee shall ensure that county funding for juvenile services (i.e., juvenile probation services and juvenile justice programs) shall not be decreased or be supplanted by funding received under this grant. The Grantee shall 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 2022 county fiscal year, excluding construction and capital outlay expenditures.

The note to the financial statement should include the following:

    - i. The total amount of local expenditures for FY 2025 (excluding construction and capital outlay expenditures);
    - ii. The total amount of local expenditures for FY 2022 (excluding construction and capital outlay expenditures); and
    - iii. If a waiver was submitted to TJJD in accordance with the State Aid and Targeted Grants Contract.
6. State Financial Assistance.
  - a. Departments receiving reimbursement funds from any program (consult table on page 2) are required to disclose the receipts on a cash basis by contract year.
  - b. Only those Departments receiving JJAEP Discretionary funds that have been approved will disclose the amount of funds available to be carried forward to the subsequent year and the amount of funds that were brought forward from the preceding year. Departments who have received Grant W funds that were approved to be used in the same fiscal year are not required to provide this disclosure.
7. 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. This report should include audit findings related to internal controls based on the scope of the audit and list only the specific TJJD grant assurances that are applicable to the Department.
8. Schedule of Findings and Questioned Costs. The schedule should include the finding or questioned cost, affected grant, and a management response or plan of corrective action. If the juvenile probation department does not have current-year findings, a schedule indicating such should still be included.

9. Schedule of Prior-Year Findings and Questioned Costs. This schedule should include the prior-year finding or questioned cost, grant affected, recommendation, current status, and management response or plan of corrective action. If the Department did not have prior-year findings, a schedule indicating such should still be included.

## VI. Financial Assurances

The following assurances have been copied from the contracts to provide a reference document: **PLEASE DO NOT INCLUDE THIS LIST IN THE AUDIT REPORT.**

- A. **General Financial Assurances.** Recipient agrees to comply with the following general accounting rules, procedures, and assurances in addition to any program-specific requirements noted in the FY 2024-2025 contract: General Assurances are found in the State Financial Assistance Contract and General Grant Requirements 2024-2025 Biennium, Article VIII, Section (J) Financial Assurances.
  1. Separate accountability for the receipt and expenditure of all grant funds under the Contract is maintained for each grant from which the Grantee receives funds.
  2. Expenditures reported to the Department agree with Grantee's accounting records and audited expenditures in each budget category.
  3. Expenditures are made in accordance with the *Expenditure Guidelines* contained in *Appendix 1* of this document and are supported by written documentation.
  4. Salary expenditures under each grant are verified and supported by appropriate documentation for hours worked, activities performed, and leave taken. Employees whose salaries are funded 100% out of state funds shall be dedicated to juvenile justice programs and services only.
  5. All travel expenses are supported by daily documentation of the individual traveling. The Grantee shall document date, destination, times, mileage, or odometer readings, and related travel activities.
  6. Travel reimbursements paid with the grant funds, including travel allowances paid in lieu of mileage, are paid according to county policy and do not exceed travel reimbursement rates adopted by the county or per diem, lodging, and travel reimbursement rates established by the State of Texas in the General Appropriations Act.
    - a. **Lodging/Meals -**
      - i. The Grantee shall not exceed the allowable federal rates determined by area and time period within the requirements of the U.S. General Services Administration (GSA). The federal lodging rates are located at [www.gsa.gov/portal/category/21287](http://www.gsa.gov/portal/category/21287).
      - ii. Lodging rates not listed on the federal lodging rates website are \$110 per night. (Applicable to all of FY 2025).
    - b. **Mileage -** September 1, 2024– December 31, 2024/67 cents per mile; January 1, 2025– August 31, 2025/ 70 cents per mile.
  7. The grant funds used for residential expenditures are paid for placement of a juvenile in a pre-adjudication detention secure facility, a short-term secure detention facility, a post-adjudication secure correctional facility, or a non-secure correctional facility, operated by or under the authority of the Grantee or another governmental entity.

8. The grant funds used for Department-registered facilities were expended in compliance with local procurement procedures.
  9. The grant funds are not expended for the purchase of equipment, renovation, or construction unless explicitly authorized by the Department within any Targeted Grant requirements. An item is equipment if county policy requires it to be capitalized or, if the county has no policy, it has a useful life of more than one year and a cost of more than five thousand dollars (\$5,000).
  10. Authorized capital purchases are capitalized and depreciated within the county accounting system.
  11. Proper cut-off procedures are observed at the end of each fiscal period. Obligations of the fiscal period under review are not paid from funds of a subsequent fiscal period. Obligations of a subsequent fiscal period are not prepaid from funds of a fiscal period under review. A modified accrual basis of accounting is only used in preparing fourth quarter expenditure reports to the Department.
  12. Refunds and reimbursements are properly accounted for as reductions of expenditures rather than as increases in revenues.
  13. Any funds not expended under the terms of each grant were/are returned to the Department according to the Unexpended Balances and Refunds Due provisions contained in Subsections VIII (E) (3) and VIII (E) (5), respectively of the State Financial Assistance Contract.
  14. The amount of local or county funds expended, excluding construction and/or renovation for juvenile services, is at least equal to or greater than the amount spent in the 2022 county fiscal year or 1994 county fiscal year if waiver is requested.
  15. All employees with access to monies are covered by surety bonds.
  16. All county and state transactional funds, revenues, and expenses are separated.
  17. Idle funds are invested in an account that provides a reasonable interest rate and provides necessary protection of principal. Interest on grant funds is credited to the account of the juvenile probation department for the provision of juvenile probation services and juvenile justice programs.
- B. **Financial Match Requirements.** The Grantee shall 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 2022 county fiscal year, excluding construction and capital outlay expenses per the State Financial Assistance Contract, Article VIII, Section (D) Financial Match Requirements.
- C. **JJAEP Assurances.** Include general assurances listed above and individual assurances listed from the Juvenile Justice Alternative Education Program/JJAEP Grant P, Article VIII, Section (I) Financial Assurances.
1. All students for whom JJAEP grant funds were collected were eligible for funding as defined in Section IV 4.2.2 of Grant P.
    - a. Actual student attendance days reported on the JJAEP *Attendance Voucher* (TJJD-JJAEP-001) are verifiable and in agreement with the Grantee's monthly attendance roster.
    - b. The amount of funds received is reconciled with reported student attendance days and unearned funds have been refunded to TJJD.
- D. **Title IV-E Assurances.** Include general assurances listed above and individual assurances listed from Title IV-E Federal Foster Care Reimbursement Program Requirements Section IV,4.2.1) Financial Assurances.

1. The receipt and expenditure of all Title IV-E federal reimbursements received by the Grantee pursuant to this grant are accounted for separately and expended according to the grant requirements.
2. No more than fifteen percent (15%) of any federal funds received pursuant to the Title IV-E Program are used for any flat or contingency fees paid to private service providers for administrative claiming.
3. Idle funds are invested in an account that provides a reasonable interest rate and provides necessary protection of principal. Interest generated as a result of Title IV-E funds deposited from TJJD is credited to the account for enhancing juvenile justice services.
4. Salary expenses reported on Title IV-E administrative reimbursement claims do not include travel allowances or emoluments.
5. Title IV-E specific training and general training costs reported on Title IV-E administrative claims are an accurate representation of costs.
6. Direct and indirect costs reported on Title IV-E administrative claims are an accurate representation of allowable expenses incurred on behalf of the Title IV-E Program.
7. Any and all findings related to the Title IV-E program noted in the annual Single Audit for the Grantee, if applicable, are disclosed in the Schedule of Findings and Questioned Costs in the Grantee's Annual Independent Audit and a reporting package is submitted to TJJD as prescribed by OMB-A-133.
8. The Grantee's policies on compensatory time and overtime pay are consistently applied to employees of the Grantee's juvenile probation department for all state and federal programs.

# APPENDICES

## Appendix 1

### INDEPENDENT AUDITOR'S REPORT

Honorable Judge xxx  
Juvenile Board of xxx 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 xxx County, Texas (the "Department") for the year ended August 31, 20xx, 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, 20xx in accordance 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 xxx 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, 20xx 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 TJJJ; 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the aggregate financial statement as a whole. The accompanying supplementary information, representing the individual grant information, is presented for purposes of additional analysis and is not a required part of the aggregate financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the aggregate financial statement. The information has been subjected to the auditing procedures applied in the audit of the aggregate financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the aggregate financial statement or to the aggregate financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying individual grant information is fairly, in all material respects, in relation to the aggregate financial statement as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated Month day, year 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.

**Restriction of Use**

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

Signature

Month, day, year

## Appendix 2

### 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

#### Independent Auditor's Report

Honorable Judge xxxx  
The Sample County Juvenile Board  
Sample 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 xxx County (the "Department") for the year ended August 31, 20xx, 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 month, day, 20xx.

#### 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 statements, 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 a 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.

[*Firm’s signature*]

City and State

Date

## Appendix 3

### The Balance Sheet is optional

#### SAMPLE BALANCE SHEET

Sample Juvenile Probation Department  
Texas Juvenile Justice Department Grant Funds  
Combined Balance Sheet – (Regulatory Basis)  
August 31, 2025

#### Grant Funds

##### ASSETS

Cash	\$20,000
Total Assets	\$20,000

##### LIABILITIES

Accounts Payable	\$20,000
Total Liabilities	\$20,000

##### FUND BALANCE

Fund Balance	-
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Total Liabilities and Fund Balance	\$20,000
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## Appendix 4

### COUNTY NAME TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS

#### SAMPLE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BY CONTRACT BUDGET AND ACTUAL (REGULATORY BASIS)

FOR THE YEAR ENDED AUGUST 31, 2025

	Grant A-25-XXX			Grant R-25-XXX			
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	
Revenues:							
TJJD Funds	\$600,000	\$575,000	\$25,000	\$14,000	\$10,000	\$4,000	
<b>Total Revenues</b>	<b>\$600,000</b>	<b>\$575,000</b>	<b>\$25,000</b>	<b>\$14,000</b>	<b>\$10,000</b>	<b>\$4,000</b>	<b>-</b>
Expenditures:							
Basic Probation Services	\$550,000	\$525,000	\$25,000	-	-	-	-
Community Programs							
Pre-Post Adjudications							
Commitment Division	-	-	-	-	-	-	-
Mental Health Services	\$50,000	\$50,000	-	-	-	-	-
Prevention and Intervention	-	-	-	-	-	-	-
Region	-	-	-	\$14,000	\$10,000	\$4,000	
<b>Total Expenditures</b>	<b>\$600,000</b>	<b>\$575,000</b>	<b>\$25,000</b>	<b>\$14,000</b>	<b>\$10,000</b>	<b>\$4,000</b>	<b>-</b>
Excess Revenues over Expenditures	-	-	-	-	-	-	-
Fund Balance- Beginning of Year	-	-	-	-	-	-	-
<b>Fund Balance-End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**8/15/2024                      \$25,000**

**10/1/2024                      \$4,000**

**Note: Departments receiving Grant W funds that are required to be spent within the same fiscal year should present those funds in this statement.**

**COUNTY NAME  
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS**

**SAMPLE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE BY CONTRACT  
BUDGET AND ACTUAL (REGULATORY BASIS)**

**GRANT W 2025-XXX**

**(Note: This statement is required for Grants approved to be spent over a two-year period)**

FOR THE PERIOD ENDED AUGUST 31, 2025

	TOTAL BUDGET	PRIOR YEAR ACTIVITY	CURRENT YEAR ACTIVITY	TO DATE ACTIVITY	BUDGET VARIANCE
<b>Revenues:</b>					
TJJD Funds	\$ 200,000	\$ 150,000	\$ 50,000	\$ 200,000	\$ -
<b>Total Revenues</b>	<b>\$ 200,000</b>	<b>\$ 150,000</b>	<b>\$ 50,000</b>	<b>\$ 200,000</b>	<b>\$ -</b>
<b>Expenditures:</b>					
Salaries and Fringe Benefits	\$ 100,000	\$ 75,000	\$ 25,000	\$ 100,000	\$ -
Travel	-	-	-	-	-
Operating Expenditures	50,000	37,500	12,500	50,000	-
Inter-County Contracts	50,000	37,500	12,500	50,000	-
External Contracts	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 200,000</b>	<b>\$ 150,000</b>	<b>\$ 50,000</b>	<b>\$ 200,000</b>	<b>\$ -</b>
Excess Revenues over Expenditures	-	-	-	-	-
Fund Balance-Beginning of Year	-	-	-	-	-
<b>Fund Balance-End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

## Appendix 5

### Notes to the Financial Statements

#### **COUNTY NAME JUVENILE PROBATION DEPARTMENT NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2025**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. ENTITY**

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

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 prescribe 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**

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

	Interest earned TJJD Funds	Interest earned Title IV-E Funds	Total Interest
	<u>FY 2025</u>	<u>FY 2025</u>	
Beginning balance, Sept 1, 2024	\$4,000	\$5,000	\$9,000
Interest earned on funds received from the period of 9/01/24– 8/31/25	<u>2,000</u>	<u>4,000</u>	<u>6,000</u>
Total Interest at Aug 31, 2025	\$6,000	\$9,000	\$15,000
Minus interest expenditures in FY 2025	(---)	(---)	(---)
Ending Balance, Aug 31, 2025	<u>\$6,000</u>	<u>\$9,000</u>	<u>\$15,000</u>

**Note to Auditor: If the Department does not have idle funds, a statement and reason should be included.**

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

The Department operates two secure juvenile facilities—a post-adjudication and pre-adjudication facility. The schedule of expenditures for each facility is as follows:

Operating Costs  
Texas County Post-Adjudication Facility  
For the Year Ended August 31, 2025

	<u>TJJD Funding</u>	<u>Local Funding</u>	<u>Total</u>
Salary and Fringe	\$ 50,000	\$ 250,000	\$ 300,000
Travel and Training	-	20,000	20,000
Operating Expenses	20,000	10,000	30,000
Inter-County Contracts	-	15,000	15,000
External Contracts	10,000	10,000	20,000
<b>Total Operating Expenditures</b>	<b><u>\$80,000</u></b>	<b><u>\$305,000</u></b>	<b><u>\$385,000</u></b>

Operating Costs  
Texas County Pre-Adjudication Juvenile Facility  
For the Year Ended August 31, 2025

	<u>TJJD Funding*</u>	<u>Local Funding</u>	<u>Total</u>
Salary and Fringe	\$100,000	\$150,000	\$250,000
Travel and Training	-	10,000	10,000
Operating Expenses	-	200,000	200,000
Inter-County Contracts	-	40,000	40,000
External Contracts	-	10,000	10,000
<b>Total Operating Expenditures</b>	<b><u>\$100,000</u></b>	<b><u>\$410,000</u></b>	<b><u>\$510,000</u></b>

\* TJJD Funding is provided from:

Grant A - \$40,000

**Note to Auditor: If the Department does not operate a secure juvenile facility, the following statement should be included:**

**The Department does not operate a secure juvenile facility.**

**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 County Name on a cost reimbursement basis. A confirmation of revenue received in the year ending August 31, 2024, 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, 2025</u>
E-20-XXX	\$ 30,000
E-21-XXX	10,000
E-22-XXX	200,000
E-23-XXX	<u>100,000</u>
Total	<u>\$ 340,000</u>

**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, 2025, is required and presented below:

	<u>Local Funding Expended (less construction and capital outlay)</u>
FY2025	\$50,000
FY 2022	\$40,000

The juvenile probation department certified the financial match requirements were fulfilled in FY2025.

**Note to Auditor: If the financial match requirement was not achieved, it should be stated as a finding in the "Schedule of Findings and Questioned Costs" for the current fiscal year.**

**NOTE 6: STATE FINANCIAL ASSISTANCE**

a. The Texas Juvenile Justice Department provided the County the following funds for the JJAEP Juvenile Reimbursement Grant funds. A confirmation of revenue received in the year ending August 31, 2025, is required and presented below.

<u>Contract Number</u>	Amount Received (Cash Basis) <u>August 31, 2025</u>
P-25-XXX	\$ 33,000
P-24-XXX	\$ 57,000

b. The Texas Juvenile Justice Department provided approval for the County for the following funds: Grant W Juvenile Justice Alternative Education Program Discretionary Grant funds that can be used over a two-year period. The following indicates the amounts that are available to be carried forward to the subsequent year and amounts that were expended from prior-year contracts.

<u>Contract Number</u>	Amount Carried Forward to Fiscal Year Ended August 31, 2025	Amount Brought Forward from Fiscal Year Ended August 31, 2024
W-23-XXX		\$ 30,000
W-24-XX		\$ 20,000
W-25-XXX	\$ 70,000	

- c. The Texas Juvenile Justice Department provided the County the following funds for the Grant R- Regional Diversion Alternatives (RDA) Program **Reimbursement** Grant funds. A confirmation of revenue received in the year ending August 31, 2023, is required and presented below.

<u>Contract Number</u>	Amount Received (Cash Basis)
R-2025-xxx	August 31, 2025
Total	\$ 4,850

- d. The Texas Juvenile Justice Department provided the County the following funds for the Grant R- Travis County JPD Regionalization Program **Reimbursement** Grant funds. A confirmation of revenue received in the year ending August 31, 2024, is required and presented below.

<u>Contract Number</u>	Amount Received (Cash Basis)
R-2025-xxx	August 31, 2025
Total	\$ 4,850

## Appendix 6

### SAMPLE FINDINGS AND QUESTIONED COSTS

County Name Juvenile Probation Department  
Schedule of Findings and Questioned Costs  
For the Year Ended August 31, 2025

FINDING NO. 2025-1

Affected Grant:

A reference to the affected grant is required to be disclosed.

Criteria

The state's maximum allowable rate for meal reimbursement is xxxxx.

Condition:

The Department's travel mileage reimbursement rate exceeds the state's maximum allowable rate.

Cause

The individual responsible for approving the reimbursement was not aware of the state's reimbursement rates.

Effect

As a result of this finding, a refund from Grant A in the amount of \$50 is due to TJJD.

Recommendation:

Training should be provided to individuals responsible for approving travel reimbursements.

Questioned Cost:

As a result of this finding, a refund from Grant A in the amount of \$50 is due to TJJD.

Corrective Action Plan/Management Response:

The County Name Juvenile Probation Department will use local funds to cover the difference between the maximum allowable rate and the Department's reimbursement rate. A refund in the amount of \$50 will be forwarded to TJJD on or about Date.

Person Responsible for Resolution of Finding  
Chief Financial Officer

Target Completion Date  
February 4, 2026

FINDING NO. 2025-2

Affected Grant:

A reference to the affected grant is required to be disclosed.

Criteria

The County's actual expenditures, by category, may not exceed the final approved budget by more than 5%.

Condition:

The County exceeded Inter-County Contract expenditures by 7%.

Cause

The individual responsible for approving the contract expenditures did not submit a request for budget amendment prior to spending state funds.

Effect

As a result of this finding, \$2,500 of Inter-County Contract expenditures are questioned.

Recommendation:

The individual responsible for approving grant expenditures should review monthly expenditure reports and current obligations. The County should adopt an encumbrance system to ensure all obligations are recorded on a timely basis.

Questioned Cost:

As a result of this finding, a refund of \$2,500 may be owed to TJJJ.

Corrective Action Plan/Management Response:

The Juvenile Probation Department will adopt procedures to ensure that the County does not obligate expenditures in excess of the approved budget in the future. A refund in the amount of \$2,500 will be forwarded to TJJJ on or about Date.

Person Responsible for Finding Resolution

Chief Financial Officer

Target Completion Date

February 4, 2026

**Note to Auditor: If the Department did not have findings, the schedule of findings and questioned costs schedule should be included, stating the following:**

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

Sample County Juvenile Probation Department  
Schedule of Prior-Year Findings and Questioned Costs  
For the Year Ended August 31, 2025

FINDING NO. 2025-1

Affected Grant:

All Grants.

Condition:

One employee is responsible for cash receipting, recording and reconciling the bank account.

Recommendation:

The Department should fill the vacant position as soon as possible and assign this individual the receipting responsibilities. Compensating controls should be implemented for any duties which cannot be segregated.

Current Status:

The Accounting Clerk position was filled on February 18, 2025, and the cash-handling activities were segregated from the Business Manager's duties.

Questioned Costs: N/A

**Note to Auditor: If the Department did not have prior-year findings or questioned costs, the schedule of prior-year findings and questioned costs should be included, stating the following:**

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