



Tarrant County Juvenile Services Department

Results of the Audit—Fiscal Year 2023



Deloitte & Touche LLP

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February 28, 2024

Members of
The Tarrant County Juvenile Board
Tarrant County Juvenile Services Department
Tarrant County, Texas

Dear Members of the Tarrant County Juvenile Board:

We have performed an audit of the aggregate statement of revenues, expenditures and changes in fund balance—budget and actual—regulatory basis (the “aggregate financial statement”) of the Tarrant County Juvenile Services Department (the “TCJSD”) grant funds, for the year ended August 31, 2023, in accordance with auditing standards generally accepted in the United States of America (“generally accepted auditing standards”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and have issued our report thereon dated February 28, 2024.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the TCJSD is responsible.

This report is intended solely for the information and use of management, the Tarrant County Juvenile Board, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Yours truly,

Deloitte & Touche LLP

cc: The Management of Tarrant County

Our Responsibility under Generally Accepted Auditing Standards

Our responsibility under generally accepted auditing standards has been described in our engagement letter dated July 20, 2023. As described in that letter, our responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the aggregate financial statement that has been prepared by management with the oversight of Tarrant County Juvenile Board is prepared, in all material respects, in accordance with the financial reporting provisions of the Texas Juvenile Justice Department as described in Note 1 to the aggregate financial statement. The audit of the aggregate financial statement does not relieve management or Tarrant County Juvenile Board of their responsibilities. We considered internal control relevant to the TCJSD's preparation of the aggregate financial statement in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the TCJSD's internal control.

Significant Accounting Policies

The TCJSD's significant accounting policies are set forth in Note 1 to the TCJSD's 2023 aggregate financial statement. We are not aware of any significant changes in previously adopted accounting policies or their application during the year ended August 31, 2023.

We have evaluated the significant qualitative aspects of the TCJSD's accounting practices, including accounting policies, accounting estimates and aggregate financial statement disclosures and concluded that the policies are appropriate, adequately disclosed, and consistently applied by management with respect to the accounting practices prescribed by Texas Juvenile Justice Department ("TJJD").

Accounting Estimates

Accounting estimates are an integral part of the financial statement prepared by management and are based on management's current judgments. Those judgments are ordinarily based on knowledge and experience about past and current events and on assumptions about future events. There were no accounting estimates identified as a result of our audit procedures.

Uncorrected Misstatements

Our audit of the aggregate financial statement was designed to obtain reasonable, rather than absolute, assurance about whether the aggregate financial statement is free of material misstatement, whether caused by error or fraud. There were no uncorrected misstatements or disclosure items passed identified during our audit.

Material Corrected Misstatements

Our audit of the aggregate financial statement was designed to obtain reasonable, rather than absolute, assurance about whether the aggregate financial statement is free of material misstatement, whether caused by error or fraud. There were no material misstatements that were brought to the attention of management as a result of our audit procedures.

Supplementary Information Included in the Aggregate Financial Statement Report

Our audit was conducted for the purpose of forming an opinion on the aggregate financial statement as a whole. The supplementary information, representing the individual grant information, is presented for purposes of additional analysis and is not 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 itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Disagreements with Management

We have not had any disagreements with management related to matters that are material to the TCJSD's grant funds 2023 aggregate financial statement.

Our Views about Significant Matters That Were the Subject of Consultation with Other Accountants

We are not aware of any consultations that management may have had with other accountants about auditing and accounting matters during 2023.

Significant Findings or Issues Discussed, or Subject of Correspondence, with Management prior to Our Initial Engagement or Retention as Auditors

Throughout the year, routine discussions were held, or were the subject of correspondence, with management regarding the application of accounting principles or auditing standards in connection with transactions that have occurred, transactions that are contemplated, or reassessment of current circumstances. In our judgment, such discussions or correspondence were not held in connection with our retention as auditors.

Other Significant Findings or Issues Arising from the Audit Discussed, or Subject of Correspondence, with Management

Throughout the year, routine discussions were held, or were the subject of correspondence, with management. In our judgment, such discussions or correspondence did not involve significant findings or issues requiring communication to the Tarrant County Juvenile Board.

Significant Difficulties Encountered in Performing the Audit

In our judgment, we received the full cooperation of the TCJSD's management and staff and had unrestricted access to the TCJSD's senior management in the performance of our audit.

Management's Representations

We have made specific inquiries of the TCJSD's management about the representations embodied in the aggregate financial statement. In addition, we have requested that management provide to us the written representations the TCJSD is required to provide to its independent auditors under generally accepted auditing standards. We have attached to this letter, as Appendix A, a copy of the representation letter we obtained from management.

Emphasis-of-Matter Paragraphs

We have included the following emphasis-of-matter paragraphs in our audit report:

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

As discussed in Note 1, the aggregate financial statement of the TCJSD Grant Funds is intended to present the revenues earned, expenditures incurred, and changes in fund balance budget and actual of only that portion of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Tarrant County that is attributable to the transactions of the TCJSD Grant Funds. They do not purport to, and do not, present fairly the financial position of Tarrant County, as of August 31, 2023, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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Kimberly M. Buchanan, CPA
Tarrant County Auditor

Linda R. Castillo
First Assistant County Auditor



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February 28, 2024

Deloitte & Touche LLP
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Fort Worth, Texas 76102

We are providing this letter in connection with your audit of the aggregate financial statement (the "aggregate financial statement") of the Tarrant County Juvenile Services Department (the "TCJSD") grant funds, for the year ended August 31, 2023, which collectively comprise the statement of revenues, expenditures, and changes in fund balances - budget and actual - regulatory basis for the purpose of expressing an opinion as to whether the revenue earned and expenditures incurred along with a comparison to budgeted revenues and expenditures of the TCJSD's Grant Funds for the year ended August 31, 2023, are in accordance with the financial provisions of the Texas Juvenile Justice Department (the "TJJD") as described in Note 1 to the aggregate financial statement.

We confirm that we are responsible for the following:

- a. The preparation and fair presentation in the aggregate financial statement, in accordance with the financial reporting provisions of the TJJD as described in Note 1 to the aggregate financial statement.
- b. The design, implementation, and maintenance of internal control:
 - Relevant to the preparation and fair presentation of an aggregate financial statement that is free from material misstatement, whether due to fraud or error.
 - To prevent and detect fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. The aggregate financial statement referred to above is fairly presented in accordance with the financial reporting provisions of the TJJD as described in Note 1 to the aggregate financial statement. In addition:
 - a. Applicable laws and regulations are followed in adopting, approving, and amending budgets.
 - b. TCJSD grant funds expenditures have been charged in accordance with applicable cost principles.
 - c. Expenses have been appropriately classified in or allocated to functions and grant funds in the statement of revenues, expenditures, and changes in fund balances - budget and actual, and allocations have been made on a reasonable basis.
 - d. The aggregate financial statement properly classifies all activities.
2. The TCJSD has provided to you all relevant information and access as agreed in the terms of the audit engagement letter.
3. The TCJSD has made available to you:

- a. All minutes of the meetings of the Tarrant County Juvenile Services Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - b. All financial records and related data for all financial transactions of the TCJSD and for all funds administered by the TCJSD. The records, books, and accounts, as provided to you, record the financial and fiscal operations of all funds administered by the TCJSD and provide the audit trail to be used in a review of accountability. Information presented in financial reports is supported by the books and records from which the aggregate financial statement has been prepared.
 - c. Contracts and grant agreements (including amendments, if any) and any other correspondence that has taken place with federal agencies.
4. There has been no:
- a. Action taken by TCJSD management that contravenes the provisions of federal laws and Texas laws and regulations, or of contracts and grants applicable to the TCJSD.
 - b. Communications with other regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices or other matters that could have a material effect on the aggregate financial statement which have been provided to you.
5. The TCJSD has disclosed to you the results of management's risk assessment, including the assessment of the risk that the aggregate financial statement may be materially misstated as a result of fraud.
6. We have no knowledge of any fraud or suspected fraud affecting the TCJSD involving:
- a. Management.
 - b. Employees who have significant roles in the TCJSD's internal control.
 - c. Others, where the fraud could have a material effect on the aggregate financial statement.
7. We have no knowledge of any allegations of fraud or suspected fraud affecting the TCJSD's aggregate financial statement communicated by employees, former employees, analysts, regulators, or others.
8. There are no unasserted claims or assessments that we are aware of or that legal counsel has advised us are probable of assertion and must be disclosed in accordance with GASB Codification Section C50, *Claims and Judgments*, or the financial reporting provisions of the Texas Juvenile Justice Department.
9. The methods, significant assumptions, and the data used by us in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement, or disclosure that is in accordance with the financial reporting provisions of the TJJD as described in Note 1 to the aggregate financial statement.
10. We are responsible for compliance with local, state, and federal laws, rules, and regulations, including compliance with the requirements of the TJJD, and the provisions of grants and contracts relating to the TCJSD's operations. We are responsible for establishing and maintaining the components of internal control relating to our activities in order to achieve the objectives of providing reliable financial reports, effective and efficient operations, and compliance with laws and regulations. We are responsible for maintaining accounting and administrative control over revenues, obligations, and expenditures.
11. We have informed you of all investigations or legal proceedings that have been initiated during the year ended August 31, 2023 or are in process as of August 31, 2023.
12. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for TJJD grant funds that provides reasonable assurance that we are managing TJJD awards in compliance with state statutes, regulations, and the terms and conditions of the federal awards that could have a material effect on its TJJD grant funds.

13. We have disclosed to you all deficiencies in the design or operation of internal control over financial reporting identified as part of our evaluation, including separately disclosing to you all such deficiencies that are significant deficiencies or material weaknesses in internal control over financial reporting.
 14. No events have occurred subsequent to August 31, 2023, that require consideration as adjustments to or disclosures in the aggregate financial statement and related notes or that existed at the end of the reporting period that affect noncompliance during the reporting period.
 15. We have:
 - a. Identified and disclosed to you the requirements of state statutes, regulations, and the terms and conditions of state awards that are considered to have a direct and material effect on each TCJSD grant fund under audit.
 - b. Complied, in all material respects, with the direct and material compliance requirements identified above in connection with TCJSD grant funds.
 - c. Identified and disclosed interpretations of any compliance requirements that have varying interpretations.
 - d. Identified previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audit and the corrective actions taken to address significant findings and recommendations, including the status of follow-up on prior audit findings (and information about all management decisions) by the TJJD.
 - e. Provided to you our views on the reported findings, conclusions, and recommendations for your report.
 - f. Identified and disclosed all amounts questioned and all known noncompliance with the direct and material compliance requirements of TJJD, including the results of other audits, program reviews, or any communications from federal awarding agencies and pass-through entities concerning possible noncompliance related to the objectives of the audit.
 16. Management has identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of aggregate financial statement amounts.
 17. The reports provided to the auditor are true copies of the reports electronically transmitted to TJJD.
 18. The budget amounts provided to the auditor are the final amounts approved by TJJD.
 19. No changes in internal control over compliance or other factors that might significantly affect internal control over financial reporting, including any corrective actions taken by TCJSD with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to August 31, 2023.
- Except where otherwise stated below, immaterial matters less than \$66,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to, or disclosure in, the aggregate financial statement.
20. There are no transactions that have not been properly recorded and reflected in the aggregate financial statement.
 21. The TCJSD certified that the financial match requirements were fulfilled in the year.
 22. The Juvenile Board of Tarrant County does not operate a secure juvenile facility.
 23. There are no:

- a. Instances of identified or suspected noncompliance with laws, regulations, or provisions of contracts or grant agreements whose effects should be considered when preparing the aggregate financial statement, or other instances that warrant the attention of those charged with governance.
 - b. Known actual or possible litigation and claims whose effects should be considered when preparing the aggregate financial statement and that have not been disclosed to you and accounted for and disclosed in accordance with the financial reporting provisions of TJJD.
 - c. Known actual or likely instances of abuse that have occurred that could be quantitatively or qualitatively material to the aggregate financial statement.
24. The TCJSD has complied with all aspects of contractual agreements that may affect the aggregate financial statement.
25. No department or agency of the TCJSD has reported a material instance of noncompliance to us.
26. Regarding supplementary information:
- a. We are responsible for the preparation and fair presentation of the supplementary information in accordance with the TJJD.
 - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with the TJJD.
 - c. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period.
27. Regarding related parties:
- a. We have disclosed to you the identity of all the TCJSD's related parties and all the related-party relationships and transactions of which we are aware.
 - b. To the extent applicable, related parties and all the related-party relationships and transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or oral) have been appropriately identified, properly accounted for, and disclosed in the aggregate financial statement.
28. No events have occurred after August 31, 2023, but before February 28, 2024, the date the aggregate financial statement was issued, that require consideration as adjustments to, or disclosures in, the aggregate financial statement.



Kimberly Buchanan, County Auditor Tarrant County



Bennie Medlin, Director of Juvenile Services Tarrant County

cc: The Members of the Tarrant County Juvenile Board