

NACOGDOCHES COUNTY
DISTRICT PROBATION DEPARTMENT
AUGUST 31, 2017

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

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Financial Section



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Independent Auditor's Report

Nacogdoches County District Probation Department
Nacogdoches, Texas

We have audited the accompanying financial statements of the Nacogdoches County District Probation Department (Department), which comprise the combined statement of financial position as of August 31, 2017, and the related combined statements of activities for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 5, 2018.

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 Department of Criminal Justice – Community Justice Assistance Division (TDCJ-CJAD), this includes 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 entity'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 entity'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.

Independent Auditor's Report

Nacogdoches County District Probation Department

February 5, 2018

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Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities of the Nacogdoches County District Probation Department as of August 31, 2017, and the respective changes in its financial position thereof for the year then ended, in accordance with the financial reporting provisions of the TDCJ-CJAD 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 TDCJ-CJAD, 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 TDCJ-CJAD. Our opinion is not modified with respect to that matter.

Emphasis of Matter

As discussed in the Note 1, the financial statements present only the operations of the Nacogdoches County District Probation Department, and are not intended to present fairly the financial position of Nacogdoches County, Texas and the results of its operations in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Nacogdoches County District Probation Department's basic financial statements. The accompanying supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. The schedules of differences between audit report and CSCD reports are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements, and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Independent Auditor's Report

Nacogdoches County District Probation Department

February 5, 2018

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Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2018 on our consideration of the Nacogdoches County District Probation Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations, contracts, grant agreements, and other matters. The purpose of this report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering Nacogdoches County District Probation Department's internal control over financial reporting and compliance.

Restriction of Use

This report is intended solely for the information and use of the management of Nacogdoches County District Probation Department, others within the organization and the Texas Department of Criminal Justice - Community Justice Assistance Division and is not intended to be and should not be used by anyone other than these specified parties.

Goff & Herrington, P.C.

GOFF & HERRINGTON, P.C.

Certified Public Accountants

February 5, 2018

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**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
COMBINED STATEMENT OF FINANCIAL POSITION - REGULATORY BASIS
AUGUST 31, 2017**

| | <u>Basic Supervision</u> | <u>Community Corrections</u> | <u>Total</u> |
|---|------------------------------|----------------------------------|----------------|
| ASSETS | | | |
| Cash and Investments | | | |
| Bank balances | 87,198 | 7,758 | 94,956 |
| Time deposits | 100,301 | - | 100,301 |
| Total cash and investments | <u>187,499</u> | <u>7,758</u> | <u>195,257</u> |
| Accounts Receivable | | | |
| Account receivable | 1,898 | - | 1,898 |
| Total accounts receivable | <u>1,898</u> | <u>-</u> | <u>1,898</u> |
| Other assets | | | |
| Prepaid assets | 12,310 | - | 12,310 |
| Total other assets | <u>12,310</u> | <u>-</u> | <u>12,310</u> |
| Total assets | <u>201,707</u> | <u>7,758</u> | <u>209,465</u> |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities | | | |
| Accounts payable | 18,879 | 1,864 | 20,743 |
| Due to state | - | 4,271 | 4,271 |
| Salaries payable | 15,185 | 1,623 | 16,808 |
| Total liabilities | <u>34,064</u> | <u>7,758</u> | <u>41,822</u> |
| Fund Balance | <u>167,643</u> | <u>-</u> | <u>167,643</u> |
| Total liabilities and fund balance | <u>201,707</u> | <u>7,758</u> | <u>209,465</u> |

The accompanying notes are an integral part of this financial statement

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
 COMBINED STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCE - REGULATORY BASIS
 FOR THE YEAR ENDED AUGUST 31, 2017**

| | <u>Basic Supervision</u> | <u>Community Corrections</u> | <u>Total</u> |
|---|------------------------------|----------------------------------|-----------------------|
| Revenue | | | |
| State aid | 362,661 | 122,007 | 484,668 |
| State aid: SAFPF | 6,650 | - | 6,650 |
| Community supervision fees | 577,123 | - | 577,123 |
| Payments by program participants | 110,707 | - | 110,707 |
| Interest income | 1,067 | - | 1,067 |
| Other revenue | 5,236 | - | 5,236 |
| Total revenue | <u>1,063,444</u> | <u>122,007</u> | <u>1,185,451</u> |
| Expenditures | | | |
| Salaries and fringe benefits | 1,023,495 | 112,528 | 1,136,023 |
| Travel and furnished transportation | 11,601 | 1,316 | 12,917 |
| Contract services for offenders | 9,203 | 15,350 | 24,553 |
| Professional fees | 15,778 | 916 | 16,694 |
| Supplies and operating | 40,662 | 1,399 | 42,061 |
| Utilities | 3,513 | - | 3,513 |
| Equipment | 5,283 | 2,437 | 7,720 |
| Total expenditures | <u>1,109,535</u> | <u>133,946</u> | <u>1,243,481</u> |
| Excess revenue over (under) expenditures | (46,091) | (11,939) | (58,030) |
| Other Financing Sources (Uses) | | | |
| Transfers in from BS | - | 5,434 | 5,434 |
| Transfers out to CCP | (5,434) | - | (5,434) |
| Total other financing sources (uses) | <u>(5,434)</u> | <u>5,434</u> | <u>-</u> |
| Prior year ending fund balance | 219,168 | 10,776 | 229,944 |
| Refund due to TDCJ-CJAD | - | (4,271) | (4,271) |
| Audited year ending fund balance | <u><u>167,643</u></u> | <u><u>-</u></u> | <u><u>167,643</u></u> |

The accompanying notes are an integral part of this financial statement

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
ALL COMMUNITY CORRECTIONS PROGRAMS**

FOR THE YEAR ENDED AUGUST 31, 2017

| | 404 Community Service Restitution | 402 Special Services | 405 Sex Offender Counseling | Total |
|---|--|-------------------------------------|--|-----------------|
| Revenue | | | | |
| State aid | 63,234 | 47,891 | 10,882 | 122,007 |
| Total revenue | <u>63,234</u> | <u>47,891</u> | <u>10,882</u> | <u>122,007</u> |
| Expenditures | | | | |
| Salaries and fringe benefits | 51,205 | 61,323 | - | 112,528 |
| Travel and furnished transportation | 1,316 | | | 1,316 |
| Contract services for offenders | 4,550 | - | 10,800 | 15,350 |
| Professional fees | 475 | 359 | 82 | 916 |
| Supplies and operating | 1,399 | - | - | 1,399 |
| Equipment | 2,437 | - | - | 2,437 |
| Total expenditures | <u>61,382</u> | <u>61,682</u> | <u>10,882</u> | <u>133,946</u> |
| Excess revenue over (under) expenditures | 1,852 | (13,791) | - | (11,939) |
| Other Financing Sources (Uses) | | | | |
| Transfer in from BS | 2,419 | 3,015 | - | 5,434 |
| Transfers out to CCP | - | - | - | - |
| Total other financing sources (uses) | <u>2,419</u> | <u>3,015</u> | <u>-</u> | <u>5,434</u> |
| Prior year ending fund balance | - | 10,776 | - | 10,776 |
| Refund due to TDCJ-CJAD | (4,271) | - | - | (4,271) |
| Audited year ending fund balance | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |

The accompanying notes are an integral part of this financial statement

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - REGULATORY BASIS - BUDGET AND ACTUAL**

BASIC SUPERVISION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2017

| | Budget | Actual | Variance Favorable (Unfavorable) | Prior Year Actual |
|---|------------------|-----------------------|---|----------------------------------|
| Revenue | | | | |
| State aid | 362,661 | 362,661 | - | 369,640 |
| State aid: SAFFP | 7,000 | 6,650 | (350) | 8,957 |
| Community supervision fees | 550,000 | 577,123 | 27,123 | 587,962 |
| Payments by program participants | 101,200 | 110,707 | 9,507 | 116,001 |
| Interest income | 1,000 | 1,067 | 67 | 1,201 |
| Other revenue | 1,000 | 5,236 | 4,236 | 1,779 |
| Total revenue | <u>1,022,861</u> | <u>1,063,444</u> | <u>40,583</u> | <u>1,085,540</u> |
| Expenditures | | | | |
| Salaries and fringe benefits | 1,024,747 | 1,023,495 | 1,252 | 1,055,465 |
| Travel and furnished transportation | 21,440 | 11,601 | 9,839 | 21,688 |
| Contract services for offenders | 18,900 | 9,203 | 9,697 | 18,240 |
| Professional fees | 19,556 | 15,778 | 3,778 | 17,019 |
| Supplies and operating | 134,180 | 40,662 | 93,518 | 52,095 |
| Utilities | 5,100 | 3,513 | 1,587 | 3,028 |
| Equipment | 12,672 | 5,283 | 7,389 | 6,680 |
| Total expenditures | <u>1,236,595</u> | <u>1,109,535</u> | <u>127,060</u> | <u>1,174,215</u> |
| Excess revenue over (under) expenditures | (213,734) | (46,091) | 167,643 | (88,675) |
| Other Financing Sources (Uses) | | | | |
| Transfer in from BS | - | - | - | - |
| Transfers out to CCP | (5,434) | (5,434) | - | (6,889) |
| Total other financing sources (uses) | <u>(5,434)</u> | <u>(5,434)</u> | <u>-</u> | <u>(6,889)</u> |
| Prior year ending fund balance | 219,168 | 219,168 | - | 314,732 |
| Refund due to TDCJ-CJAD | - | - | - | - |
| Audited year ending fund balance | <u><u>-</u></u> | <u><u>167,643</u></u> | <u><u>167,643</u></u> | <u><u>219,168</u></u> |

The accompanying notes are an integral part of this financial statement

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - REGULATORY BASIS - BUDGET AND ACTUAL**

COMMUNITY SERVICE RESTITUTION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2017

| | Budget | Actual | Variance Favorable (Unfavorable) | Prior Year Actual |
|---|---------------|---------------|---|----------------------------------|
| Revenue | | | | |
| State aid | 63,234 | 63,234 | - | 50,429 |
| Total revenue | <u>63,234</u> | <u>63,234</u> | - | <u>50,429</u> |
| Expenditures | | | | |
| Salaries and fringe benefits | 51,058 | 51,205 | (147) | 51,349 |
| Travel and furnished transportation | 1,600 | 1,316 | 284 | - |
| Contract services for offenders | 4,500 | 4,550 | (50) | - |
| Professional fees | 475 | 475 | - | 378 |
| Supplies and operating | 4,245 | 1,399 | 2,846 | 1,172 |
| Equipment | 3,775 | 2,437 | 1,338 | 1,241 |
| Total expenditures | <u>65,653</u> | <u>61,382</u> | <u>4,271</u> | <u>54,140</u> |
| Excess revenue over (under) expenditures | (2,419) | 1,852 | 4,271 | (3,711) |
| Other Financing Sources (Uses) | | | | |
| Transfer in from BS | 2,419 | 2,419 | - | 3,711 |
| Transfers out to CCP | - | - | - | - |
| Total other financing sources (uses) | <u>2,419</u> | <u>2,419</u> | - | <u>3,711</u> |
| Prior year ending fund balance | - | - | - | - |
| Refund due to TDCJ-CJAD | - | (4,271) | (4,271) | - |
| Audited year ending fund balance | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

The accompanying notes are an integral part of this financial statement

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - REGULATORY BASIS - BUDGET AND ACTUAL**

SPECIAL SERVICES PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2017

| | Budget | Actual | Variance Favorable (Unfavorable) | Prior Year Actual |
|---|---------------|---------------|---|----------------------------------|
| Revenue | | | | |
| State aid | 47,891 | 47,891 | - | 60,694 |
| Total revenue | <u>47,891</u> | <u>47,891</u> | - | <u>60,694</u> |
| Expenditures | | | | |
| Salaries and fringe benefits | 61,183 | 61,323 | (140) | 52,640 |
| Professional fees | 360 | 359 | 1 | 456 |
| Supplies & operating | 139 | - | 139 | - |
| Total expenditures | <u>61,682</u> | <u>61,682</u> | - | <u>53,096</u> |
| Excess revenue over (under) expenditures | (13,791) | (13,791) | - | 7,598 |
| Other Financing Sources (Uses) | | | | |
| Transfer in from BS | 3,015 | 3,015 | - | 3,178 |
| Transfers out to CCP | - | - | - | - |
| Total other financing sources (uses) | <u>3,015</u> | <u>3,015</u> | - | <u>3,178</u> |
| Prior year ending fund balance | 10,776 | 10,776 | - | - |
| Refund due to TDCJ-CJAD | - | - | - | - |
| Audited year ending fund balance | <u>-</u> | <u>-</u> | - | <u>10,776</u> |

The accompanying notes are an integral part of this financial statement

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - REGULATORY BASIS - BUDGET AND ACTUAL**

SEX OFFENDER COUNSELING PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2017

| | Budget | Actual | Variance Favorable (Unfavorable) | Prior Year Actual |
|---|-----------------|-----------------|---|----------------------------------|
| Revenue | | | | |
| State aid | 10,882 | 10,882 | - | 10,882 |
| Total revenue | <u>10,882</u> | <u>10,882</u> | - | <u>10,882</u> |
| Expenditures | | | | |
| Contract services for offenders | 10,800 | 10,800 | - | 10,800 |
| Professional fees | 82 | 82 | - | 82 |
| Total expenditures | <u>10,882</u> | <u>10,882</u> | - | <u>10,882</u> |
| Excess revenue over (under) expenditures | - | - | - | - |
| Other Financing Sources (Uses) | | | | |
| Transfer in from BS | - | - | - | - |
| Transfers out to CCP | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Prior year ending fund balance | - | - | - | - |
| Refund due to TDCJ-CJAD | - | - | - | - |
| Audited year ending fund balance | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |

The accompanying notes are an integral part of this financial statement

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NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statements include the revenue of the Nacogdoches County District Probation Department (Department) related to the receipt of funds administered by the Community Justice Assistance Division of the Texas Department of Criminal Justice from State Appropriations for the Basic Supervision Fund, Community Corrections Program Funds, local fees collected for the use of the Department, and the expenditure of those funds.

Nacogdoches County District Probation Department, a special purpose district of State government, was organized to provide certain adult probation services to judicial districts. The Department is a specialized local entity and not a department of the County nor is it part of the TDCJ-CJAD.

Basis of Accounting

Since the Department receives funding from State government, it must comply with requirements of the State. Therefore, the financial statements were prepared using the basis of accounting prescribed by the TDCJ-CJAD, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Basis of accounting refers to the time at which revenues and expenditures are recognized in the accounts and reported in the statements. The accounts of the Department are organized on the basis of fund accounting, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in a fund based on the source of the funds and the purposes for which they may be spent and the means in which the spending activities are controlled for the specific activities in accordance with laws, regulations, and other restrictions. Revenues and expenditures are accounted for using the modified accrual basis of accounting.

The modified accrual basis of accounting is followed in that revenues are recorded when susceptible to accrual; i.e., earned, measurable, and available. Available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues received by October 31, 2017 for financial activity performed by August 31, 2017, are considered available. Also, purchases for which the commitment has been established by August 31, 2017, are considered liabilities regardless of whether possession of these goods has been received by August 31, provided that the liability purchase is received and is paid by October 31, 2017. Exception to this method of accounting is the recording of refunds to the State as reductions of Fund Balance.

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

Funds of Nacogdoches County District Probation Department are grouped into the agency fund type for the purpose of operation on the Nacogdoches County, Texas accounting system. Accounting agency funds are accounts established for deposit and disbursement of funds which are not controlled through the Nacogdoches County, Texas budget process and are held in purely a custodial capacity.

Budgets (Accounting and Legal Compliance)

Pursuant to Government Code, Section 76.004 and 76.002, the budgets governing the funding to the programs are prepared biennially, then approved by the district judges with jurisdiction over the department and by the Texas Department of Criminal Justice – Community Justice Assistance Division.

Only budget adjustment requests, at year end, received by September 30, 2017 will be reviewed and approved/disapproved by the TDCJ-CJAD. TDCJ-CJAD will not accept budget adjustments after September 30, 2017 for the previous fiscal year. Only budget adjustments approved by the TDCJ-CJAD should be referred to in performing the financial audit.

Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized. All encumbrances not liquidated by October 31, 2017 became part of the subsequent year's budget.

Compensated Absences

Department employees accrue from 12 to 25 days of vacation leave annually, depending upon their length of employment. Employees are eligible to take vacation leave after one month of employment. Employees are paid a maximum of 10 days for accrued vacation leave upon termination of employment.

Department employees accrue from 12 to 15 days of sick leave annually, depending upon their length of employment. Employees are eligible to take sick leave after one month of employment. Employees are not paid for the accrued sick leave upon termination of employment.

Employees receive 12 paid holidays annually.

The liability amount for accrued compensated absences at August 31, 2017 was \$31,290.

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

NOTE 2 - FUNDING SOURCES - STATE AID

The Department receives the following state aid:

Basic Supervision (BS) Funds

This State funding is a per capita allocation based on statistics from the previous full calendar year. The per capita formula includes calendar year misdemeanor placements and direct felony cases. Funding is first allocated to misdemeanor placements for 182 days. The remaining funding is allocated to felons under direct community supervision based on the Department's share of the state total population of direct felons. Basic supervision is distributed only to Community Supervision and Corrections Departments (CSCD).

Community Corrections Program(CCP) Program Funds

This appropriation line item is allocation based. The funding is based on two equally assigned factors: the percentage of the state's population residing in the counties served by the Department and the percentage of all felony defendants in the state under direct community supervision by the Department. CSCDs are the only entities eligible for CCP funds.

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

NOTE 3 - FUNDS COLLECTED BY THE CSCD FROM SOURCES OTHER THAN TDCJ-CJAD WHICH ARE REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS

| Source of Funds | Amount | Restrictions for Use | Expended in Accordance with Restriction |
|---|-----------------------|--|---|
| Supervision Fees | 577,123 | <i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i> | Yes |
| Program Participant Fees, including Pre-trial Diversion/ Cognitive Behavior Program/ Urinalysis/ Anger Management Program | 110,707 | <i>Financial Management Manual for TDCJ-CJAD Funding restrictions. Government Code, Section 76.015; Section 19, Article 42.12 Code of Criminal Procedures (Supervision Fees)</i> | Yes |
| Interest income | 1,067 | <i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i> | Yes |
| Other Revenue: | | | |
| Transactions' Administration Fee | 70 | <i>Financial Management Manual for TDCJ-CJAD Funding restrictions Article 102.072, Code of Criminal Procedure</i> | Yes |
| Health & Human Services Commission Restitution Fee | 604 | <i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i> | Yes |
| Compensation to Victims of Crime Auxiliary Fund Collection Fee | 112 | <i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i> | Yes |
| Firearms Certification Class Fees | 4,450 | <i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i> | Yes |
| Total Other Income | <u>5,236</u> | | |
| | <u><u>694,133</u></u> | | |

The following expenditures are recorded in the Nacogdoches County general fund and represent funding from the County for copier costs and furniture and equipment:

| | |
|-------------------------|---------------------|
| Copier costs | 853 |
| Furniture and equipment | 209 |
| Total | <u><u>1,062</u></u> |

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

NOTE 4 - FUNDS COLLECTED BY THE CSCD FROM SOURCES OTHER THAN TDCJ-CJAD WHICH ARE NOT REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS

| Source of Funds | Amount Received | Restrictions for Use | Expended in Accordance with Restrictions | Fund Balance |
|-----------------------------------|-----------------|--|--|--------------|
| Victim Restitution | 165,032 | Government Code 76.013, paid directly to victim within certain timelines | Yes | 100 |
| Crime Victims' Compensation Fund | 10,616 | Texas Code of Criminal Procedure, Article 42.12, Section 11 (a) (18) and Texas State Comptroller remittance timeline | N/A | - |
| Supervision Fee for Sex Offenders | 340 | Article 42.12, Section 19 (f) of the Texas Code of Criminal Procedure | N/A | - |
| Department of Public Safety Fee | 11,304 | Paid directly to Texas Department of Public Safety | N/A | - |
| Crime Stopper Fee | 24,612 | Paid directly to local Crime Stoppers Association | N/A | - |
| Court Costs | 25 | Local Government Code, Chapter 113, Section 113.022 | N/A | - |
| Family Crisis Center Fee | 405 | Paid directly to the local Family Crisis Center | N/A | - |
| District Clerk Fee | 38 | Local Government Code, Chapter 113, Section 113.022 | N/A | - |
| | <u>212,372</u> | | | <u>100</u> |

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

NOTE 5 - CASH, PETTY CASH AND INVESTMENTS

Collection or clearing accounts are trust funds and must be covered by pledged collateral to cover the estimated highest daily balance of funds operated in conjunction with or through the county depository by the Department. Collection accounts must be transferred to the county treasury within the time frames listed in the Local Government Code 113.022. All Department funds must be in the county treasury and must be disbursed by the County Treasurer (Governmental Code 509.011 and Local Government Code 140.003(f)).

The Department does not utilize a change fund or a petty cash fund.

Idle funds are invested in interest bearing accounts.

NOTE 6 - EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL PROGRAMS

There were no excess of expenditures over budgets in individual programs that exceeded \$15,000 or 15%.

NOTE 7 - ACCOUNTS RECEIVABLES AND/OR PAYABLES AS STATED ON THE COMBINED STATEMENT OF FINANCIAL POSITION AS OF AUGUST 31, 2017

Accounts receivable and payable for the year ended August 31, 2017 consisted of the following amounts:

| | |
|--------------------------|--------------|
| Miscellaneous receivable | 1,898 |
| Prepaid expenditures | 2,884 |
| Prepaid Insurance | <u>9,426</u> |
| Total Prepaid Assets | 12,310 |
| Accounts payable | 20,743 |
| Salaries payable | 16,808 |

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

NOTE 8 - INTERFUND TRANSFERS

Interfund transfers for the year ended August 31, 2017 consisted of the following amounts:

Transfers from the Basic Supervision Program:

| | |
|---|--------------|
| To the Community Service Restitution Program - dedicated salary grant | 2,419 |
| To the Special Services Program - dedicated salary grant | 3,015 |
| | <u>5,434</u> |

NOTE 9 - VENDOR CONTRACTS FOR OFFENDER SERVICES

There were no vendor contracts for offender services or payments in excess of \$100,000.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies to report for the year ended August 31, 2017.

NOTE 11 - DEOBLIGATIONS

There are no deobligations to report for the year ended August 31, 2017.

NOTE 12 - PRIOR PERIOD ADJUSTMENTS

There were no prior period adjustments recorded during the fiscal year ended August 31, 2017.

NOTE 13 - REFUNDS

There were no prior period refunds recorded during the fiscal year ended August 31, 2017.

NOTE 14 - SUBSEQUENT EVENTS

There were no events subsequent to the date of these financial statements that had a material effect on the statements. The Department's management has evaluated subsequent events through February 5, 2018 which is the date that these financial statements were available to be issued.

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

NOTE 15 - OTHER

Currently, the Department does not have an internal written CSR Policy stating that if a Judge allows an offender to pay a fee or donate goods to a local food bank or food pantry in the community in which the defendant resides or another nonprofit organization that: (A) has a 501 (a) IRS exemption as listed in Section 501 (c) (3) of that code and (B) provides services or assistance to needy individuals and families in the community in which the defendant resides in lieu of performing community service restitution (CSR) work hours. The Department follows the guideline set forth in Article 42.12 of the Code of Criminal Procedures, and was in compliance with these guidelines during the year.

Supplemental Schedules

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS**

BASIC SUPERVISION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2017

| | Audit | CSCD Report | Difference |
|---|-----------------------|------------------------|-------------------|
| Revenue | | | |
| State aid | 362,661 | 362,661 | - |
| SAFPF | 6,650 | 6,650 | - |
| Probation fees | 577,123 | 577,123 | - |
| Payments by program participants | 110,707 | 110,707 | - |
| Interest | 1,067 | 1,067 | - |
| Other | 5,236 | 5,236 | - |
| Total revenue | <u>1,063,444</u> | <u>1,063,444</u> | - |
| Expenditures | | | |
| Salaries and fringe benefits | 1,023,495 | 1,023,495 | - |
| Travel and furnished transportation | 11,601 | 11,601 | - |
| Contract services for offenders | 9,203 | 9,203 | - |
| Professional fees | 15,778 | 15,778 | - |
| Supplies and operating | 40,662 | 40,662 | - |
| Utilities | 3,513 | 3,513 | - |
| Equipment | 5,283 | 5,283 | - |
| Total expenditures | <u>1,109,535</u> | <u>1,109,535</u> | - |
| Excess revenue over (under) expenditures | (46,091) | (46,091) | - |
| Other Financing Sources (Uses) | | | |
| Transfer in from BS | - | - | - |
| Transfers out to CCP | (5,434) | (5,434) | - |
| Total other financing sources (uses) | <u>(5,434)</u> | <u>(5,434)</u> | - |
| Prior year ending fund balance | 219,168 | 219,168 | - |
| Refund due to TDCJ-CJAD | - | - | - |
| Audited year ending fund balance | <u><u>167,643</u></u> | <u><u>167,643</u></u> | - |

The accompanying notes are an integral part of this financial statement

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS**

COMMUNITY SERVICE RESTITUTION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2017

| | Audit | CSCD Report | Difference |
|---|---------------|------------------------|-------------------|
| Revenue | | | |
| State aid | 63,234 | 63,234 | - |
| Total revenue | <u>63,234</u> | <u>63,234</u> | - |
| Expenditures | | | |
| Salaries and fringe benefits | 51,205 | 51,205 | - |
| Travel and furnished transportation | 1,316 | 1,316 | - |
| Contract services for offenders | 4,550 | 4,550 | - |
| Professional fees | 475 | 475 | - |
| Supplies and operating | 1,399 | 1,399 | - |
| Equipment | 2,437 | 2,437 | - |
| Total expenditures | <u>61,382</u> | <u>61,382</u> | - |
| Excess revenue over (under) expenditures | 1,852 | 1,852 | - |
| Other Financing Sources (Uses) | | | |
| Transfer in from BS | 2,419 | 2,419 | - |
| Transfers out to CCP | - | - | - |
| Total other financing sources (uses) | <u>2,419</u> | <u>2,419</u> | - |
| Prior year ending fund balance | - | - | - |
| Refund due to TDCJ-CJAD | (4,271) | (4,271) | - |
| Audited year ending fund balance | <u>-</u> | <u>-</u> | - |

The accompanying notes are an integral part of this financial statement

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS**

SPECIAL SERVICES PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2017

| | Audit | CSCD Report | Difference |
|---|-----------------|------------------------|-------------------|
| Revenue | | | |
| State aid | 47,891 | 47,891 | - |
| Total revenue | <u>47,891</u> | <u>47,891</u> | <u>-</u> |
| Expenditures | | | |
| Salaries and fringe benefits | 61,323 | 61,323 | - |
| Professional fees | 359 | 359 | - |
| Total expenditures | <u>61,682</u> | <u>61,682</u> | <u>-</u> |
| Excess revenue over (under) expenditures | (13,791) | (13,791) | - |
| Other Financing Sources (Uses) | | | |
| Transfer in from BS | 3,015 | 3,015 | - |
| Transfers out to CCP | - | - | - |
| Total other financing sources (uses) | <u>3,015</u> | <u>3,015</u> | <u>-</u> |
| Prior year ending fund balance | 10,776 | 10,776 | - |
| Refund due to TDCJ-CJAD | - | - | - |
| Audited year ending fund balance | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |

The accompanying notes are an integral part of this financial statement

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS**

SEX OFFENDER COUNSELING PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2017

| | Audit | CSCD Report | Difference |
|---|-----------------|------------------------|-------------------|
| Revenue | | | |
| State aid | 10,882 | 10,882 | - |
| Total revenue | <u>10,882</u> | <u>10,882</u> | <u>-</u> |
| Expenditures | | | |
| Contract services for offenders | 10,800 | 10,800 | - |
| Professional fees | 82 | 82 | - |
| Total expenditures | <u>10,882</u> | <u>10,882</u> | <u>-</u> |
| Excess revenue over (under) expenditures | - | - | - |
| Other Financing Sources (Uses) | | | |
| Transfer in from BS | - | - | - |
| Transfers out to CCP | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Prior year ending fund balance | - | - | - |
| Refund due to TDCJ-CJAD | - | - | - |
| Audited year ending fund balance | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |

The accompanying notes are an integral part of this financial statement

Compliance Section



Certified Public Accountants

Goff & Herrington, P.C.

P.O. Box 153320 • Lufkin, TX. 75915 • (936) 875-3317 • Fax:(936) 622-6823

A.J. Goff, CPA
Ronnie Herrington, CPA
Daniel Raney, CPA

**INDEPENDENT AUDITOR'S 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**

Nacogdoches County District Probation Department

Nacogdoches, 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 financial statements of Nacogdoches County District Probation Department (Department), as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated February 5, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 entity'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 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.

INDEPENDENT AUDITOR'S 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

Nacogdoches County District Probation Department
February 5, 2018
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provision 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use the Nacogdoches County District Probation Department, others within the organization, and the Texas Department of Criminal Justice - Community Justice Assistance Division and is not intended to be and should not be used by anyone other than these specified parties.

Goff & Herrington, P.C.

GOFF & HERRINGTON, P.C.
Certified Public Accountants

February 5, 2018

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2017

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

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

SCHEDULE OF STATUS OF PRIOR FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2017

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

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED AUGUST 31, 2017

N/A

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**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENTS
FISCAL YEAR 2017 TDCJ-CJAD COMPLIANCE CHECKLIST
AUGUST 31, 2017**

YES NO N/A

POLICIES AND PROCEDURES

- | | | | | |
|----|-------------------------------------|-------------------------------------|--|--|
| 1. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Are any TDCJ-CJAD funds used to pay judges' salaries (unless specifically approved by TDCJ-CJAD in a Program Budget; i.e., DWI Courts), community justice council members' salaries, or other court-related expenses? If any of these salaries or expenses are paid, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. | |
| 2. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Are all employees with access to funds covered by a surety bond? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. | |
| 3. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Did the Fiscal Officer follow the applicable laws, guidelines, and duties as specified on Fiscal Officer section of the <i>Financial Management Manual</i> for TDCJ-CJAD Funding? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. | |
| 4. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Were purchasing laws, including required competitive bidding, followed as directed in accordance with the same procedures applicable to a county (Texas Local Government Code Section 140.003 and Chapter 262, FMM Purchasing)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. | |
| 5. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Are expenditures that benefit both juveniles and adults prorated on an equitable basis? Is determination of the method of prorating such expenditures supported by adequate documentation, including an annual time study (FMM Multiple Positions & Dual Departments)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| 6. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Have TDCJ-CJAD policies regarding contracts with vendors been followed, which includes maintaining a Contract Monitoring Plan (policy) to monitor vendor payments and compliance with contracts (CMM and Pages 13-14 SRF of these Guidelines)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| 7. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Does the CSCD have a policy regarding eligibility for employee salary merit increases, if merit or one-time increases are given (FMM Salaries Expenditure Items)? If such increases are given without a written policy, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENTS
FISCAL YEAR 2017 TDCJ-CJAD COMPLIANCE CHECKLIST
AUGUST 31, 2017**

YES NO N/A

8. If a Judge allows an offender to pay a fee or donate goods to a local food bank or food pantry in the community in which the defendant resides or another nonprofit organization that: (A) has a 501 (a) IRS exemption as listed in Section 501 (c) (3) of that code and (B) provides services or assistance to needy individuals and families in the community in which the defendant resides in lieu of performing community service restitution (CSR) work hours, does the CSCD have a written CSR Policy stating that fact (As amended in Section 16 (f), Article 42.12, Code of Criminal Procedure)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings of Questioned Costs.
9. With prior TDCJ-CJAD approval, CSCDs may use Basic Supervision, CC, DP, or TAIP funds as required cash matching for grants from other governmental agencies, non-profit organizations, or private foundations, etc., for the purpose of expanding an existing program. Was cash matching properly authorized, budgeted, and expended (FMM Grants, Donations, Fees...)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
10. Local Benefit Coordinators shall participate in required ERS training. The TDCJ-CJAD Benefits Administrator will train local Benefit Coordinators on Benefits Administration and the ERS Online Website procedures. Did the Local Benefit Coordinators, as required each year by TDCJ-CJAD-PS-11 and ERS, attend an FY 2017 Refresher Training and the Annual Enrollment Training?
11. Is equipment physically inventoried annually and adequately supported with a TDCJ-CJAD Equipment Inventory Form as instructed in the Equipment Section of the FMM? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
12. Is surplus equipment disposed of in accordance with TDCJ-CJAD guidelines (FMM Disposable Surplus of Property)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
13. Is there proper identification on motor vehicles that are issued exempt license plates (FMM P Statutory Requirements, Transportation Code, Chapter 721)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENTS
FISCAL YEAR 2017 TDCJ-CJAD COMPLIANCE CHECKLIST
AUGUST 31, 2017**

YES NO N/A

14. When the CSCD or a vendor operating a commissary for a CSCD purchase goods at retail outlets for resale at the commissary using sales tax exemption documentation, did the CSCD charge and collect state sales tax from the residents for items purchased? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
15. If the CSCD charged and collected state sales tax from residents, does the CSCD have a sales tax permit issued by the Comptroller of Public Accounts? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
16. Did the CSCD remit the collected sales taxes to the state either quarterly or yearly (with the permission of the Comptroller of Public Accounts)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
17. Did the CSCD follow the procedures for tax return, record keeping, tax remittance regarding state sales tax as summarized in Rule §3.286 of the Texas Administrative Code? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

FINANCIAL STATEMENTS

18. Are expenditures and revenues supported by adequate documentation? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
19. Were interfund transfers, if any, correctly identified in the financial statements (FMM, Financial Reports)? If not, explain in the *Interfund Transfer* note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
20. It is inappropriate for government funded programs to end a fiscal year in a deficit. If there were negative fund balances at the end of the fiscal year, were they covered by interfund transfers as described in the *Financial Management Manual* for TDCJ-CJAD Funding (FMM Fiscal Officer)? If not, explain in the *Interfund Transfer* note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENTS
FISCAL YEAR 2017 TDCJ-CJAD COMPLIANCE CHECKLIST
AUGUST 31, 2017**

YES NO N/A

- | | | |
|-----|--|---|
| 21. | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> N/A | <div style="background-color: #cccccc; width: 20px; height: 40px; display: inline-block; margin-right: 5px;"></div> <p>In FY 2017, did the CSCD determine if funds allocated to program(s) were in excess of the actual needs to operate the programs for the remainder of the fiscal year, resulting in deobligation of funds? Government Code, Chapter 509, Section 509.011 (h), allows CSCDs to deobligate any unencumbered state funds held by the department during a fiscal year (Basic Supervision, CC, DP, and TAIP). If so, indicate the program(s) and the amount(s) in the <i>Deobligation</i> note of the Notes to the Financial Statements and in their specified line of the financial statements in the Independent Audit.</p> |
| 22. | <input type="checkbox"/> YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> N/A | <p>Are the deobligated funds, if any, reported as reductions to State Aid (i.e. is the reported state aid the correct amount after deobligation)? If applicable. If not, explain in the Deobligation note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.</p> |
| 23. | <input type="checkbox"/> YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> N/A | <p>If funds were deobligated, were the appropriate budget adjustments made for the reallocated funds? If not, explain in the <i>Deobligation</i> note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.</p> |
| 24. | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> N/A | <div style="background-color: #cccccc; width: 20px; height: 40px; display: inline-block; margin-right: 5px;"></div> <p>Did the CSCD receive any One Time Payments in FY 2017? If so, include them in their specified line of the financial statements in the Independent Audit.</p> |
| 25. | <input type="checkbox"/> YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> N/A | <p>Were the One Time Payments, if any, expended or had a purchase order issued within their allotted time frame? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.</p> |
| 26. | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> N/A | <div style="background-color: #cccccc; width: 20px; height: 40px; display: inline-block; margin-right: 5px;"></div> <p>Does the CSCD have any unfavorable budget variances from FY 2017 that require refunding back to TDCJ-CJAD? If so, identify them in the <i>Excess of Expenditures Over Budgets</i> note of the Note to the Financial Statements.</p> |
| 27. | <input type="checkbox"/> YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> N/A | <p>If the CSCD had any unfavorable budget variance refunds for FY 2017, were these refunds properly reported as prior period adjustments on the Quarterly Financial Report in period that the funds were paid and returned to TDCJ-CJAD? If not, explain in the <i>Prior Period Adjustment</i> note of the Note to the Financial Statements.</p> |

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENTS
FISCAL YEAR 2017 TDCJ-CJAD COMPLIANCE CHECKLIST
AUGUST 31, 2017**

YES NO N/A

BASIS OF ACCOUNTING

- | | | | |
|-----|---|--|--|
| 28. | <input checked="" type="checkbox"/> <u> </u> <u> </u> | | Is separate accountability maintained for TDCJ-CJAD funds; i.e., fund accounting of self-balancing funds? If not, explain in the Basis of Accounting portion of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| 29. | <input checked="" type="checkbox"/> <u> </u> <u> </u> | | Are proper cutoff procedures observed at the end of each fiscal period? The cutoff date for revenues recognition and expenditures payments of FY 2017 is October 31, 2017 . If not, explain in the Basis of Accounting portion of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| 30. | <input checked="" type="checkbox"/> <u> </u> <u> </u> | | Is the modified accrual basis of accounting used in preparing the fourth quarter reports for submission to TDCJ-CJAD? If not, explain in the Basis of Accounting portion of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| 31. | <input checked="" type="checkbox"/> <u> </u> <u> </u> | | Does the CSCD have an existing policy on budget approval, operate by the policy, and the policy has been approved by the judges charged with oversight of the CSCD (Government Code, Section 76.002, and the <i>Financial Management Manual for TDCJ-CJAD Funding</i> (FMM Budgets)). If not, explain in the Budget note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| 32. | <input checked="" type="checkbox"/> <u> </u> <u> </u> <u> </u> | | If the CSCD determines that an increase or decrease in revenue or expenditures is required, were budget adjustments submitted to TDCJ-CJAD, by September 30, 2017 , and in accordance with the <i>Financial Management Manual for TDCJ-CJAD Funding</i> (FMM Budgets)? If not, explain in the Budget note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENTS
FISCAL YEAR 2017 TDCJ-CJAD COMPLIANCE CHECKLIST
AUGUST 31, 2017**

YES NO N/A

FUNDS COLLECTED FROM SOURCES OTHER THAN TDCJ-CJAD

- | | | |
|-----|---|---|
| 33. | <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | <p>Are TDCJ-CJAD funds and locally generated revenues expended in accordance with the <i>Financial Management Manual for TDCJ-CJAD Funding (FMM)</i>, TDCJ-CJAD Standards, TDCJ-CJAD Field Correspondence, TDCJ-CJAD Policy Statements, Standard and Special Grant Conditions, and applicable laws? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.</p> |
| 34. | <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | <p>Are locally generated funds, and other collections, documented with a proper receipt system, and can they be traced to probationers' accounts, bank deposits and statements? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.</p> |
| 35. | <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> | <p>Did the CSCD collect any administrative fees for Offender Program Participation on individuals who participate in a program operated by the department or receives services from the department and who is not paying a monthly fee under Articles 42A Code of Criminal Procedure (Supervision Fees)? If so, indicate whether they were accounted for as payments by program participants or as community supervision fees, as a separate line item, in the <i>Funds Collected by the CSCD From Sources Other Than TDCJ-CJAD Which <u>ARE</u> Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports</i> note of the Notes to the Financial Statements.</p> |
| 36. | <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> | <p>If the CSCD collected administrative fees for Offender Program Participation, did the CSCD assess a reasonable administrative fee of not less than \$25 and not more than \$60 per Government Code, Section 76.015? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.</p> |
| 37. | <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | <p>Did the CSCD collect pretrial diversion/intervention fees in fiscal year 2017? If so, indicate whether they were accounted for as payments by program participants or as community supervision fees, as a separate line item, in the <i>Funds Collected by the CSCD From Sources Other Than TDCJ-CJAD Which <u>ARE</u> Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports</i> note of the Notes to the Financial Statements.</p> |

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YES NO N/A

38. Were **pretrial diversion/intervention fees** properly accounted for, if collected (FMM Statutory Requirements, Government Code, Section 76.015 (c), Texas Code of Criminal Procedure, Article 102.012)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
39. Did the CSCD collect **transactions' administrative fees** in fiscal year 2017? If so, include them in the *Funds Collected by the CSCD From Sources Other Than TDCJ-CJAD Which ARE Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports* note of the Notes to the Financial Statements.
40. Is the **transactions' administrative fee** budgeted and recorded as Other Revenue in Basic Supervision and accounted for on a consistent basis (FMM Statutory Requirements)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
41. Did the CSCD collect **Supervision Fee's for Sex Offenders** in fiscal year 2017? If so, include them in the *Funds Collected by the CSCD From Sources Other Than TDCJ-CJAD Which ARE NOT Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports* note of the Notes to the Financial Statements.
42. The Texas Code of Criminal Procedure, Article 42.12, Section 19 (e) requires as a condition of probation that certain sex offenders pay \$5.00 per month during the period of supervision. These fees are in addition to court costs or any other fee imposed on the offender as court ordered. Are these fees remitted to the State Comptroller (FMM Statutory Requirements)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
43. Are **Supervision Fee's for Sex Offenders** expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
44. Did the CSCD collect **Crime Victims' Compensation Funds** in fiscal year 2017? If so, include them in the *Funds Collected by the CSCD From Sources Other Than TDCJ-CJAD Which ARE NOT Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports* note of the Notes to the Financial Statements.

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YES NO N/A

45. Article 42.12, Section 11 (a) (18), Code of Criminal Procedure authorizes the court to order a defendant, as a condition of community supervision, to reimburse the **Crime Victims' Compensation Fund** for any amounts paid from that fund to a victim of the defendant's offense or, if no reimbursement is required, make one payment to the fund in an amount not to exceed \$50 if the offense is a misdemeanor or not to exceed \$100 if the offense is a felony. Were these fees remitted to the State Comptroller in compliance with the timelines outlined by the State Comptroller's Office (FMM Statutory Requirements)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

46. Are **Crime Victims' Compensation Funds** expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

47. Did the CSCD collect **Victim Restitution Funds** in fiscal year 2017? If so, include them in the *Funds Collected by the CSCD From Sources Other Than TDCJ-CJAD Which ARE NOT Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports* note of the Notes to the Financial Statements.





48. Are **Victim Restitution Funds** accounted for in accordance with Texas Government Code, Section 76.013 (FMM Statutory Requirements)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

49. Are **Victim Restitution Funds** unclaimed funds tracked for the required five-year period prior to sending to the State Comptroller? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

50. If a CSCD employee (or more than one employee where cumulative time is not over 10% of one full-time equivalent position) spends no more than 10% of his/her time on the Bond/Other Supervision Program activities (Pre-Trial Bond, Surety Bond, Bail etc.), separation of expenses is considered immaterial and is not required. However, all revenue generated from these fees must be accounted for separately in a local budget. Is this being properly captured (FMM Grants, Donations, Fees..., Statutory Requirements and TDCJ-CJAD Policy Statement No. CJAD-PS-09)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

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YES NO N/A

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| 51. | <u> </u> <input checked="" type="checkbox"/> |  | Did the CSCD collect Personal Bond fees in fiscal year 2017? If so, include them in the <i>Funds Collected by the CSCD From Sources Other Than TDCJ-CJAD Which <u>ARE NOT</u> Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports</i> note of the Notes to the Financial Statements. |
| 52. | <u> </u> <u> </u> | <input checked="" type="checkbox"/> | Are Personal Bonds fees expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| 53. | <u> </u> <input checked="" type="checkbox"/> |  | Did the CSCD collect Pre-Trial Bonds fees in fiscal year 2017? If so, include them in the <i>Funds Collected by the CSCD From Sources Other Than TDCJ-CJAD Which <u>ARE NOT</u> Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports</i> note of the Notes to the Financial Statements. |
| 54. | <u> </u> <u> </u> | <input checked="" type="checkbox"/> | Are Pre-Trial Bonds fees expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| 55. | <u> </u> <input checked="" type="checkbox"/> |  | Did the CSCD collect Surety Bonds fees in fiscal year 2017? If so, include them in the <i>Funds Collected by the CSCD From Sources Other Than TDCJ-CJAD Which <u>ARE NOT</u> Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports</i> note of the Notes to the Financial Statements. |
| 56. | <u> </u> <u> </u> | <input checked="" type="checkbox"/> | Are Surety Bonds fees expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| 57. | <u> </u> <input checked="" type="checkbox"/> |  | Did the CSCD collect Bail fees Fiscal year 2017? If so, include them in the <i>Funds Collected by the CSCD From Sources Other Than TDCJ-CJAD Which <u>ARE NOT</u> Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports</i> note of the Notes to the Financial Statements. |
| 58. | <u> </u> <u> </u> | <input checked="" type="checkbox"/> | Are Bail fees expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |

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YES NO N/A

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| 59. | <u> </u> <input checked="" type="checkbox"/> | | Did the CSCD collect fees for occupational licenses issued by Drug Courts in fiscal year 2017? If so, include them in the <i>Funds Collected by the CSCD From Sources Other Than TDCJ-CJAD Which <u>ARE NOT</u> Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports</i> note of the Notes to the Financial Statements. |
| 60. | <u> </u> <u> </u> <input checked="" type="checkbox"/> | | Were fees for occupational licenses issued by Drug Courts expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| 61. | <u> </u> <input checked="" type="checkbox"/> | | Did the CSCD collect fees for ignition interlock installation upon conviction in fiscal year 2017? If so, include them in the <i>Funds Collected by the CSCD From Sources Other Than TDCJ-CJAD Which <u>ARE NOT</u> Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports</i> note of the Notes to the Financial Statements. |
| 62. | <u> </u> <u> </u> <input checked="" type="checkbox"/> | | Were fees for ignition interlock installation upon conviction expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| 63. | <u> </u> <input checked="" type="checkbox"/> | | Attorney General (AG) Opinion No. LO-98-008 indicates that state aid provided to a CSCD under the authority of Chapter 509, Texas Government Code, may only be used to provide services to criminal defendants. Therefore, when hiring a person who is responsible for supervising offenders charged with a noncriminal offense, the person’s salary, benefits, and related expenses must be paid with funds from sources other than funds provided by TDCJ-CJAD or from criminal supervision fees or other locally collected funds. Expenses for the supervision of noncriminal respondents must be paid from civil supervision fees or outside grants. Did the CSCD collect Civil fees from respondents on child support civil caseloads (or other noncriminal offenders)? If so, include them in the <i>Funds Collected by the CSCD From Sources Other Than TDCJ-CJAD Which <u>ARE NOT</u> Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports</i> note of the Notes to the Financial Statements. |
| 64. | <u> </u> <u> </u> <input checked="" type="checkbox"/> | | If Civil fees were collected, were they accounted for as if they were a separate grant from as outside source (other than TDCJ-CJAD)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |

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YES NO N/A

65. ✓
 If **Civil fees** were collected, were they deposited in a special fund of the county treasury, provided for by the Code of Criminal Procedure, to be used for Community Supervision? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

66. ✓
 If **Civil fees** were collected, did the CSCD send a check from the civil fees fund (or from other outside grand funds) to the TDCJ-CJAD Cashier’s office to reimburse the Basic Supervision Insurance reserve for these employee’s insurance premiums (the employer portion)? Although these employees are eligible for state health insurance, the employer portion of the insurance premiums for these employees cannot be paid from the Basic Supervision reserve that is deducted from Basic Supervision funds each fiscal year, or from any other state funds. If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

67. ✓
 Are all non-TDCJ-CJAD funded program fees expended in accordance with applicable limitations; i.e., Court Costs, Federal grants and other fees, etc.? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

CASH, COLLECTIONS, CHANGE FUND, PETTY CASH

68. ✓
 Are all of the CSCD’s funds and collections deposited in the county treasury (county’s bank account)? (FMM State Payments; Government Code, Section 509.011; Local Government Code, Section 140.003 (f); and Attorney General’s Opinion DM-257, dated September 15, 1993) If not, explain in the *Cash, Collections, Change Fund, Petty Cash & Investments* note of the Notes to the Financial Statements and include in the Schedule of Findings and Questioned Costs.

69. ✓
 Are all of the CSCD’s funds and collections disbursed by the county treasurer on behalf of the CSCD? (FMM State Payments; Government Code, Section 509.011; Local Government Code, Section 140.003 (f); and Attorney General’s Opinion DM-257, dated September 15, 1993) If not, explain in the *Cash, Collections, Change Fund, Petty Cash & Investments* note of the Notes to the Financial Statements and include in the Schedule of Findings and Questioned Costs.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENTS
FISCAL YEAR 2017 TDCJ-CJAD COMPLIANCE CHECKLIST
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YES NO N/A

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| 70. | <input checked="" type="checkbox"/> <u> </u> | <input type="checkbox"/> <u> </u> | <input type="checkbox"/> <u> </u> | <p>Are all of the CSCD’s funds and collections deposited in the county treasury (county’s bank account) within the time period required by Local Government Code 113.022? (FMM State Payments) If not, explain in the <i>Cash, Collections, Change Fund, Petty Cash & Investments</i> note of the Notes to the Financial Statements and include in the Schedule of Findings and Questioned Costs.</p> |
| 71. | <input type="checkbox"/> <u> </u> | <input checked="" type="checkbox"/> <u> </u> | <input type="checkbox"/> <u> </u> | <p>Did the CSCD maintain a Change Fund authorized by the fiscal officer in fiscal year 2017? Change Funds are not to be confused with petty cash funds. (FMM Fiscal Officer) If so, indicate the Cash Change Fund amount in the <i>Cash, Collections, Change Fund, Petty Cash & Investments</i> note of the Notes to the Financial Statements.</p> |
| 72. | <input type="checkbox"/> <u> </u> | <input type="checkbox"/> <u> </u> | <input checked="" type="checkbox"/> <u> </u> | <p>Was the Change Fund <u>only</u> used to make change in connection with collections that are due and payable to the CSCD? If not, explain in the <i>Cash, Collections, Change Fund, Petty Cash & Investments</i> note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.</p> |
| 73. | <input type="checkbox"/> <u> </u> | <input type="checkbox"/> <u> </u> | <input checked="" type="checkbox"/> <u> </u> | <p>Did the Employee Surety Bond coverage include the CSCD employee who maintains and administers such Change Fund and covered that employee’s responsibility for the correct accounting and disposition of the change fund? If not, explain in the <i>Cash, Collections, Change Fund, Petty Cash & Investments</i> note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.</p> |
| 74. | <input type="checkbox"/> <u> </u> | <input checked="" type="checkbox"/> <u> </u> | <input type="checkbox"/> <u> </u> | <p>Did the CSCD maintain petty cash utilizing CSCD’s funds authorized by the county auditor in the fiscal year 2017? If so, indicate the petty cash dollar amount in the <i>Cash, Collections, Change Fund, Petty Cash & Investments</i> note of the Notes to the Financial Statements.</p> |
| 75. | <input type="checkbox"/> <u> </u> | <input type="checkbox"/> <u> </u> | <input checked="" type="checkbox"/> <u> </u> | <p>Are petty cash funds utilizing CSCD’s funds used only for specific purposes for allowable items as listed in the <i>Financial Management Manual for TDCJ-CJAD Funding?</i> (FMM, State Payments, Financial Reports, Community Corrections Facility and Fiscal Officer) If not, explain in the <i>Cash, Collections, Change Fund, Petty Cash & Investments</i> note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.</p> |

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YES NO N/A


76. ✓ Are **petty cash funds utilizing CSCD’s funds** used expended only for emergency situations authorized by a written policy and approved by the CSCD director? If not, explain in the *Cash, Collections, Change Fund, Petty Cash & Investments* note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

77. ✓  Did the CSCD maintain **petty cash utilizing NON CSCD’s revenues** (i.e. vending machine revenues) in the fiscal year 2017? If so, indicate the petty cash as “other petty cash” and include the dollar amount in the *Cash, Collections, Change Fund, Petty Cash & Investments* note of the Notes to the Financial Statements.

78. ✓ Are **petty cash funds utilizing NON CSCD’s funds** used only for specific purposes for allowable items as listed in the *Financial Management Manual for TDCJ-CJAD Funding*? If not, explain in the *Cash, Collections, Change Fund, Petty Cash & Investments* note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.


SCHEDULE OF DIFFERENCES

79. ✓  Are Revenues and Expenditures reported to TDCJ-CJAD in agreement with, or reconcilable to, the funding recipient’s accounting records and with audited expenditures in each budget category? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

80. ✓  Were there any differences identified in the Schedule of Differences?

81. ✓ Was an explanation given in the Schedule of Differences for any changes or adjustments that were made to Revenues and Expenditures (by either the CSCD or the Independent Auditor) that adjusted the previous amounts reported to TDCJ-CJAD? If not, explain in the Schedule of Differences, Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

COMPLIANCE AND OTHER MATTERS

82. ✓  Were there any instances of fraud noted by the auditor (Chapter 4, Item 4.25 *Government Auditing Standards*)? If yes, explain in the Notes to the Financial Statements, Report on Compliance and Internal Control or in the Schedule of Findings and Questioned Costs.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENTS
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YES NO N/A

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| 83. | <u> </u> <input checked="" type="checkbox"/> | | Were there any instances of deficiencies in internal control noted by the auditor (Chapter 4, Item 4.25 <i>Government Auditing Standards</i>)? If yes, explain in the Notes to the Financial Statements, Report on Compliance and Internal Control or in the Schedule of Findings and Questioned Costs. |
| 84. | <u> </u> <input checked="" type="checkbox"/> | | Were there any instances of non-compliance noted by the auditor (Chapter 4, Item 4.25 <i>Government Auditing Standards</i>)? If yes, explain in the Notes to the Financial Statements, Report on Compliance and Internal Control or in the Schedule of Findings and Questioned Costs. |
| 85. | <u> </u> <input checked="" type="checkbox"/> | | Were there any instances of non-compliance noted by the auditor (Chapter 4, Item 4.25 <i>Government Auditing Standards</i>)? If yes, explain in the Notes to the Financial Statements, Report on Compliance and Internal Control or in the Schedule of Findings and Questioned Costs. |
| 86. | <u> </u> <input checked="" type="checkbox"/> | | Were there any instances of abuse noted by the auditor (Chapter 4, Item 4.25 <i>Government Auditing Standards</i>)? If yes, explain in the Notes to the Financial Statements, Report on Compliance and Internal Control or in the Schedule of Findings and Questioned Costs. |

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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| 87. | <u> </u> <u> </u> <input checked="" type="checkbox"/> | Do any action plans exist for significant findings from prior audits (Chapter 4, Item 4.05, <i>Government Auditing Standards</i>)? If not, explain in the Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs. |
| 88. | <u> </u> <u> </u> <input checked="" type="checkbox"/> | If action plans exist from prior audit findings, are they current (Chapter 4, Item 4.05, <i>Government Auditing Standards</i>)? If not, explain in the Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs. |