

**TEXAS JUVENILE JUSTICE DEPARTMENT
GRANT FUNDS OF
NACOGDOCHES COUNTY, TEXAS
FOR THE YEAR ENDED AUGUST 31, 2016**

**TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

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Financial Section



Goff & Herrington, P.C.

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

Certified Public Accountants

Independent Auditor's Report

Nacogdoches County Juvenile Probation Board
Nacogdoches, Texas

We have audited the accompanying financial statements of the Texas Juvenile Justice Department Grant Funds of Nacogdoches County Juvenile Probation Department (Department), which comprise the statement of revenues, expenditures, and changes in fund balances- budget and actual- regulatory basis for the year ended August 31, 2016 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Texas Juvenile Justice Department. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Juvenile Probation Board

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the revenue earned and the expenditures incurred compared to budgeted revenues and expenditures of the Department's Texas Juvenile Justice Department Grant Funds for the year ended August 31, 2016, in accordance with the financial reporting provisions of the Texas Juvenile Justice Department as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions of the Texas Juvenile Justice Department, which is a basis of accounting other than the 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 that matter.

Emphasis of Matter

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

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2017 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with 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's internal control over financial reporting and compliance.

Restriction of Use

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

Goff & Herrington, P.C.

GOFF & HERRINGTON, P.C.

Certified Public Accountants

February 10, 2017

**NACOGDOCHES COUNTY, TEXAS
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS**

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

FOR THE YEAR ENDED AUGUST 31, 2016

STATE AID - TJJD-A-2016-174			
	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
TJJD Funds	478,047	421,988	(56,059)
Total revenue	478,047	421,988	(56,059)
Expenditures			
Basic probation services	159,916	157,246	2,670
Community programs	19,763	19,687	76
Pre post adjudications	135,866	120,925	14,941
Commitment diversion	117,977	103,141	14,836
Mental Health Services	44,525	20,989	23,536
Total expenditures	478,047	421,988	56,059
Excess revenue over (under) expenditures	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	-	-	-

Additional information

Refunds paid to TJJD subsequent to 8/31/16:
October 11, 2016

56,059

The accompanying notes are an integral part of this financial statement

**TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Entity

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

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

Basis of Accounting

The financial statements were prepared in conformity with the accounting practices prescribed by TJJD, which prescribes policies and procedures for county probation departments, which is a comprehensive basis of accounting other than generally accepted accounting principles. These accounting practices include the following:

- The financial statements are reported using the accrual basis of accounting. Revenues are recorded when all eligibility requirements have been met and expenditures are recognized when incurred.
- The accompanying financial statements do not represent financial statements prepared in accordance with provisions for governmental funds as prescribed by the Governmental Accounting Standards Board.
- The accompanying financial statements are prepared in a format to facilitate uniform financial reporting by county probation departments.

These funds are accounted for in the Governmental Fund category as Special Revenue Funds. The accounting period used in the preparation of financial statements for all funds of Nacogdoches County is October 1 through September 30. The accounting period used in preparing financial statements required by the Texas Juvenile Justice Department is generally September 1 through August 31.

**TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2016

NOTE 2: RECONCILIATION OF ACCRUED INTEREST

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

	TJJD	Title IV-E	Total
Beginning balance	982	35,059	36,041
Interest accrued	88	703	791
Minus expenditures	-	-	-
Ending balance	1,070	35,762	36,832

NOTE 3: OPERATING COST FOR A SECURE JUVENILE FACILITY

The Nacogdoches County Juvenile Probation Department does not operate a secure juvenile facility.

NOTE 4: FEDERAL FINANCIAL ASSISTANCE

TJJD administers, along with the Texas Department of Family and Protective Services, the Title IV-E Program (CFDA 93.658). TJJD disburses funds to Nacogdoches County Juvenile Probation on a cost reimbursement basis. The Nacogdoches County Juvenile Probation Department did not receive any Title IV-E Program funds in 2016.

NOTE 5: FINANCIAL MATCH REQUIREMENTS

To receive Texas Juvenile Justice Department state funds, the juvenile probation departments are required to certify that the amount of local or county funds expended for juvenile services is at least equal to or greater than the amount spent in the 2006 county fiscal year excluding construction and capital outlay expenses. A confirmation of local funds for the year ending August 31, 2016 is required and presented below:

	Local Funding Expended (less construction and capital outlay)
FY 2016	164,963
FY 2006	162,634

The Nacogdoches County Juvenile Probation Department certified the financial match requirements were fulfilled FY 2016.

**TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2016

NOTE 6: STATE FINANCIAL ASSISTANCE

The Texas Juvenile Justice Department provided the County the following funds for the Grant R - Regional Diversion Alternatives (RDA) Program Reimbursement Grant funds. A confirmation of revenue received in the year ending August 31, 2016 is required and presented below. The Department reported spending \$6,079.50 of the total award prior to the November 30, 2016 deadline as established in Grant R. Unexpended funds of \$1,679.50 were returned to TJJD on 1/9/2017.

<u>Contract Number</u>	<u>Amount Received (Accrual Basis) August 31, 2016</u>
R-2016-174	\$7,759

The Nacogdoches County Juvenile Probation Department did not receive any JJAEP Juvenile Reimbursement Grant funds nor were any amounts available to be carried forward to the subsequent year.

Compliance Section



Goff & Herrington, P.C.

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

Certified Public Accountants

**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 Juvenile 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 the Texas Juvenile Justice Departments Grant Funds of Nacogdoches County Juvenile Probation Department (Department), and have issued our report thereon dated February 10, 2017.

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 Juvenile Probation Department
February 10, 2017
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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 provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under 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 of management, others within the Nacogdoches County Juvenile Probation Department and the Texas Juvenile Justice Department and is not intended to be and should not be used by anyone other than these specified parties.

Goff & Herrington, P.C.
GOFF & HERRINGTON, P.C.
Certified Public Accountants

February 10, 2017

**TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2016

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

**TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

SCHEDULE OF STATUS OF PRIOR FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2016

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

**TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED AUGUST 31, 2016

N/A



Renee Alvis <ralvis@co.nacogdoches.tx.us>

Nacogdoches Juvenile Probation Audit Report

Renee Alvis <ralvis@co.nacogdoches.tx.us>
To: Probation.Independent.Audits@tjjd.texas.gov
Cc: Jessica Corley <jcorley@co.nacogdoches.tx.us>

Fri, Feb 24, 2017 at 8:19 AM

Good Morning,

Please see the attached final audit report for the Nacogdoches Juvenile Probation Department.

Thank you.

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Sincerely,

Renée Alvis
Nacogdoches County Assistant Auditor
101 West Main, Suite 140
Nacogdoches, TX 75961
Office: 936-560-7816
Fax: 936-560-7702

 **FY 2016 Final Audit Report.pdf**
139K

Final Audit Reports

Renee Alvis <ralvis@co.nacogdoches.tx.us>
To: Mary Quinn <mquinn@co.nacogdoches.tx.us>

Fri, Feb 24, 2017 at 2:59 PM

Hi Mary,

Jessica told me that I should e-mail your our final audit reports for District and Juvenile Probation so that you can scan them to the Permanent Fiscal Audit Reports folder.

Let me know if you have any questions. Thank you Mary!


—

Sincerely,

Renée Alvis
Nacogdoches County Assistant Auditor
101 West Main, Suite 140
Nacogdoches, TX 75961
Office: 936-560-7816
Fax: 936-560-7702

2 attachments

 **FY16 Final Audit Report_DP.pdf**
1116K

 **FY 2016 Final Audit Report_JP.pdf**
406K