

NACOGDOCHES COUNTY
DISTRICT PROBATION DEPARTMENT
AUGUST 31, 2021

**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, 2021, and the related financial 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, 2022.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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, 2022

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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, 2021, 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 based on 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 the operations of the Nacogdoches County District Probation Department only 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 basic 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 additional 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, 2022

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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, 2022 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, and 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, 2022

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
COMBINED STATEMENT OF FINANCIAL POSITION - REGULATORY BASIS
AUGUST 31, 2021**

ASSETS	Basic Supervision	Community Corrections	Diversion Programs	Total
Cash and Investments				
Bank balances	327,495	23,506	21,492	372,493
Time deposits	410,467	-	-	410,467
Total cash and investments	<u>737,962</u>	<u>23,506</u>	<u>21,492</u>	<u>782,960</u>
Accounts Receivable				
Community supervision fees	2,165	-	-	2,165
Other receivables	156	-	-	156
Total accounts receivable	<u>2,321</u>	<u>-</u>	<u>-</u>	<u>2,321</u>
Other Assets				
Prepaid assets	9,550	-	-	9,550
Total other assets	<u>9,550</u>	<u>-</u>	<u>-</u>	<u>9,550</u>
Total Assets	<u><u>749,833</u></u>	<u><u>23,506</u></u>	<u><u>21,492</u></u>	<u><u>794,831</u></u>
 LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	11,975	1,341	4,288	17,604
Due to state	-	19,322	12,941	32,263
Salaries payable	17,675	2,843	4,263	24,781
Total liabilities	<u>29,650</u>	<u>23,506</u>	<u>21,492</u>	<u>74,648</u>
Fund Balance	<u>720,183</u>	<u>-</u>	<u>-</u>	<u>720,183</u>
Total Liabilities and Fund Balance	<u><u>749,833</u></u>	<u><u>23,506</u></u>	<u><u>21,492</u></u>	<u><u>794,831</u></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, 2021**

	<u>Basic Supervision</u>	<u>Community Corrections</u>	<u>Diversion Programs</u>	<u>Total</u>
Revenue				
State aid	367,349	111,710	172,020	651,079
State aid: SAFFP	1,155	-	-	1,155
Community supervision fees	527,713	-	-	527,713
Payments by program participants	87,260	-	-	87,260
Interest income	1,295	-	-	1,295
Other revenue	8,961	-	-	8,961
Total revenue	<u>993,733</u>	<u>111,710</u>	<u>172,020</u>	<u>1,277,463</u>
Expenditures				
Salaries and fringe benefits	675,922	105,593	168,705	950,220
Travel and furnished transportation	6,503	380	-	6,883
Contract services for offenders	276	2,012	17,790	20,078
Professional fees	9,934	837	1,291	12,062
Supplies and operating	32,582	-	1,676	34,258
Utilities	3,069	-	-	3,069
Equipment	6,721	239	-	6,960
Total expenditures	<u>735,007</u>	<u>109,061</u>	<u>189,462</u>	<u>1,033,530</u>
Excess Revenue over (under)				
Expenditures	258,726	2,649	(17,442)	243,933
Other Financing Sources (Uses)				
Transfers in from BS	-	5,434	14,063	19,497
Transfers out to CCP	(19,497)	-	-	(19,497)
Total other financing sources (uses)	<u>(19,497)</u>	<u>5,434</u>	<u>14,063</u>	<u>-</u>
Prior year ending fund balance				
Prior year ending fund balance	480,954	11,239	16,321	508,514
Refund due to TDCJ-CJAD	-	(19,322)	(12,942)	(32,264)
Audited Year Ending Fund Balance	<u><u>720,183</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>720,183</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, 2021

	404	402	
	Community	Special	
	Service	Services	
	Restitution	Services	Total
	<u> </u>	<u> </u>	<u> </u>
Revenue			
State aid	56,907	54,803	111,710
Total revenue	<u>56,907</u>	<u>54,803</u>	<u>111,710</u>
Expenditures			
Salaries and fringe benefits	51,607	53,986	105,593
Travel and furnished transportation	380	-	380
Contract services for offenders	2,012	-	2,012
Professional fees	427	410	837
Supplies and operating	-	-	-
Equipment	239	-	239
Total expenditures	<u>54,665</u>	<u>54,396</u>	<u>109,061</u>
Excess Revenue over (under)			
Expenditures	2,242	407	2,649
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>5,434</u>
Prior year ending fund balance	6,033	5,206	11,239
Refund due to TDCJ-CJAD	<u>(10,694)</u>	<u>(8,628)</u>	<u>(19,322)</u>
Audited Year Ending Fund Balance	<u> </u>	<u> </u>	<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 DIVERSION PROGRAMS**

FOR THE YEAR ENDED AUGUST 31, 2021

	403 Sex Offender Caseload Program	405 Mentally Impaired Caseload	406 Pre-Trial Diversion Program	Total
Revenue				
State aid	80,000	55,000	37,020	172,020
Total revenue	<u>80,000</u>	<u>55,000</u>	<u>37,020</u>	<u>172,020</u>
Expenditures				
Salaries and fringe benefits	63,313	57,535	47,857	168,705
Contract services for offenders	17,790	-	-	17,790
Professional fees	600	413	278	1,291
Supplies & operating	1,676	-	-	1,676
Total expenditures	<u>83,379</u>	<u>57,948</u>	<u>48,135</u>	<u>189,462</u>
Excess Revenue over (under) Expenditures	(3,379)	(2,948)	(11,115)	(17,442)
Other Financing Sources (Uses)				
Transfer in from BS	-	2,948	11,115	14,063
Transfers out to CCP	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>2,948</u>	<u>11,115</u>	<u>14,063</u>
Prior year ending fund balance	16,321	-	-	16,321
Refund due to TDCJ-CJAD	(12,942)	-	-	(12,942)
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**

BASIC SUPERVISION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Requested TDCJ-CJAD funding (state aid)	367,349	367,349	-
State aid: SAFPF	5,000	1,155	(3,845)
Community supervision fees	500,000	527,713	27,713
Payments by program participants	102,500	87,260	(15,240)
Interest income	1,000	1,295	295
Other revenue	3,000	8,961	5,961
Total revenue	978,849	993,733	14,884
Expenditures			
Salaries and fringe benefits	743,908	675,922	67,986
Travel and furnished transportation	17,300	6,503	10,797
Contract services for offenders	9,206	276	8,930
Professional fees	45,425	9,934	35,491
Supplies and operating	607,365	32,582	574,783
Utilities	4,100	3,069	1,031
Equipment	10,736	6,721	4,015
Total expenditures	1,438,040	735,007	703,033
Excess Revenue over (under)			
Expenditures	(459,191)	258,726	717,917
Other Financing Sources (Uses)			
Transfer in from BS	-	-	-
Transfers out to CCP	(21,763)	(19,497)	(2,266)
Total other financing sources (uses)	(21,763)	(19,497)	(2,266)
Prior year ending fund balance		480,954	
Refund due to TDCJ-CJAD		-	
Audited Year Ending Fund Balance		720,183	

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, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Requested TDCJ-CJAD funding (state aid)	58,494	56,907	(1,587)
Total revenue	58,494	56,907	(1,587)
Expenditures			
Salaries and fringe benefits	51,450	51,607	(157)
Travel and furnished transportation	1,600	380	1,220
Contract services for offenders	2,100	2,012	88
Professional fees	439	427	12
Supplies and operating	4,324	-	4,324
Equipment	1,000	239	761
Total expenditures	60,913	54,665	6,248
Excess Revenue over (under) Expenditures	(2,419)	2,242	4,661
Other Financing Sources (Uses)			
Transfer in from BS	2,419	2,419	-
Transfers out to CCP	-	-	-
Total other financing sources (uses)	2,419	2,419	-
Prior year ending fund balance		6,033	
Refund due to TDCJ-CJAD		(10,694)	
Audited Year Ending Fund Balance		-	

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, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Requested TDCJ-CJAD funding (state aid)	56,500	54,803	(1,697)
Total revenue	56,500	54,803	(1,697)
Expenditures			
Salaries and fringe benefits	53,830	53,986	(156)
Professional fees	424	410	14
Supplies & operating	5,261	-	5,261
Total expenditures	59,515	54,396	5,119
Excess Revenue over (under)			
Expenditures	(3,015)	407	3,422
Other Financing Sources (Uses)			
Transfer in from BS	3,015	3,015	-
Transfers out to CCP	-	-	-
Total other financing sources (uses)	3,015	3,015	-
Prior year ending fund balance		5,206	
Refund due to TDCJ-CJAD		(8,628)	
Audited Year Ending Fund Balance		-	

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 CASELOAD PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Requested TDCJ-CJAD funding (state aid)	80,000	80,000	-
Total revenue	80,000	80,000	-
Expenditures			
Salaries and fringe benefits	62,203	63,313	(1,110)
Contract services for offenders	15,636	17,790	(2,154)
Professional fees	600	600	-
Supplies & operating	1,561	1,676	(115)
Total expenditures	80,000	83,379	(3,379)
Excess Revenue over (under)			
Expenditures	-	(3,379)	(3,379)
Other Financing Sources (Uses)			
Transfer in from BS	-	-	-
Transfers out to CCP	-	-	-
Total other financing sources (uses)	-	-	-
Prior year ending fund balance		16,321	
Refund due to TDCJ-CJAD		(12,942)	
Audited Year Ending Fund Balance		-	

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**

MENTALLY IMPAIRED CASELOAD PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Requested TDCJ-CJAD funding (state aid)	55,000	55,000	-
Total revenue	55,000	55,000	-
Expenditures			
Salaries and fringe benefits	59,810	57,535	2,275
Professional fees	413	413	-
Total expenditures	60,223	57,948	2,275
Excess Revenue over (under) Expenditures	(5,223)	(2,948)	2,275
Other Financing Sources (Uses)			
Transfer in from BS	5,223	2,948	(2,275)
Transfers out to CCP	-	-	-
Total other financing sources (uses)	5,223	2,948	(2,275)
Prior year ending fund balance		-	
Refund due to TDCJ-CJAD		-	
Audited Year Ending Fund Balance		-	

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**

PRE-TRIAL DIVERSION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Requested TDCJ-CJAD funding (state aid)	37,020	37,020	-
Total revenue	37,020	37,020	-
Expenditures			
Salaries and fringe benefits	47,848	47,857	(9)
Professional fees	278	278	-
Total expenditures	48,126	48,135	(9)
Excess Revenue over (under)			
Expenditures	(11,106)	(11,115)	(9)
Other Financing Sources (Uses)			
Transfer in from BS	11,106	11,115	9
Transfers out to CCP	-	-	-
Total other financing sources (uses)	11,106	11,115	9
Prior year ending fund balance			
Refund due to TDCJ-CJAD		-	
Audited Year Ending Fund Balance		-	

The accompanying notes are an integral part of this financial statement

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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, Diversion Grant 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, 2021 for financial activity performed by August 31, 2021, are considered available. Also, purchases for which the commitment has been established by August 31, 2021, are considered liabilities regardless of whether possession of these goods has been received by August 31, 2021 provided that the liability purchase is received and is paid by October 31, 2021. Exception to this method of accounting is the recording of refunds to the State as reductions of Fund Balance.

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.

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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, 2021 will be reviewed and approved/disapproved by the TDCJ-CJAD. TDCJ-CJAD will not accept budget adjustments after September 30, 2021 for the previous fiscal year. Only budget adjustments approved by the TDCJ-CJAD should be referred to in performing the financial audit.

NOTE 2 - PRIOR PERIOD ADJUSTMENTS

There were no prior period adjustments recorded during the fiscal year ended August 31, 2021.

NOTE 3 - REFUNDS

There were no refunds paid during the fiscal year ended August 31, 2021.

NOTE 4 – BUDGET VARIANCES

There were no excess of expenditures over budgets in individual programs that exceeded 15%.

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. The Department's state aid and net funds (revenues) received were deposited and held, and collection accounts' remaining net funds (revenues) were transferred into a special fund of the county treasury, on or before the next regular business day, or on or before the fifth business day after the day on which the money was received. All the Department's state aid and net funds (revenues) received were held, deposited, disbursed, invested, and otherwise cared for by the County on behalf of the Department as directed (Government Code 509.011(c) and Local Government Code 113.022 and 140.003 (f)).

Department employees who have access to public funds and those employees who maintain and administer public funds, change funds, and/or petty cash are adequately covered by a surety bond.

The Department did not utilize a change fund or a petty cash fund during the year ended August 31, 2021.

Idle funds are invested in interest bearing accounts.

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

NOTE 6 - FUNDS COLLECTED BY THE CSCD FROM SOURCES OTHER THAN TDCJ-CJAD WHICH ARE REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS

<u>Source of Funds</u>	<u>Amount</u>	<u>Restrictions for Use</u>	<u>Expended in Accordance with Restriction</u>
Supervision Fees	527,713	<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
Program Participant Fees:			
Pre-trial Diversion Fees	31,610	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Cognitive Behavior Fees	(100)	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Program Urinalysis Fees	55,690	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Anger Management Program	60	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Total Program Participant Fees	<u>87,260</u>		
Interest income	1,295	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Other Revenues:			
Angelina County TAIP Reimbursement	67	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Health & Human Services Commission Restitution Fee	1,139	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Referral Fees for Cognitive Courses Collection Fee	105	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Firearms Certification Class	7.650	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Total Other Income	<u>8,961</u>		
	<u><u>625,229</u></u>		

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

NOTE 7 - COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies to report for the year ended August 31, 2021.

NOTE 8 - 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, 2022, which is the date that these financial statements were available to be issued.

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, 2021

	Audit	CSCD Report	Difference
Revenue			
State aid	367,349	367,349	-
SAFPF	1,155	1,155	-
Probation fees	527,713	527,713	-
Payments by program participants	87,260	87,260	-
Interest	1,295	1,295	-
Other	8,961	8,961	-
Total revenue	<u>993,733</u>	<u>993,733</u>	-
Expenditures			
Salaries and fringe benefits	675,922	675,922	-
Travel and furnished transportation	6,503	6,503	-
Contract services for offenders	276	276	-
Professional fees	9,934	9,934	-
Supplies and operating	32,582	32,582	-
Utilities	3,069	3,069	-
Equipment	6,721	6,721	-
Total expenditures	<u>735,007</u>	<u>735,007</u>	-
Excess Revenue over (under) Expenditures	258,726	258,726	-
Other Financing Sources (Uses)			
Transfer in from BS	-	-	-
Transfers out to CCP	(19,497)	(19,497)	-
Total other financing sources (uses)	<u>(19,497)</u>	<u>(19,497)</u>	-
Prior year ending fund balance	480,954	480,954	-
Refund due to TDCJ-CJAD	-	-	-
Audited Year Ending Fund Balance	<u><u>720,183</u></u>	<u><u>720,183</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, 2021

	Audit	CSCD Report	Difference
Revenue			
State aid	56,907	56,907	-
Total revenue	<u>56,907</u>	<u>56,907</u>	-
Expenditures			
Salaries and fringe benefits	51,607	51,607	-
Travel and furnished transportation	380	380	-
Contract services for offenders	2,012	2,012	-
Professional fees	427	427	-
Supplies and operating	-	-	-
Equipment	239	239	-
Total expenditures	<u>54,665</u>	<u>54,665</u>	-
Excess Revenue over (under) Expenditures	2,242	2,242	-
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	6,033	6,033	-
Refund due to TDCJ-CJAD	(10,694)	(10,694)	-
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
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS**

SPECIAL SERVICES PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2021

	Audit	CSCD Report	Difference
Revenue			
State aid	54,803	54,803	-
Total revenue	<u>54,803</u>	<u>54,803</u>	-
Expenditures			
Salaries and fringe benefits	53,986	53,986	-
Professional fees	410	410	-
Total expenditures	<u>54,396</u>	<u>54,396</u>	-
Excess Revenue over (under) Expenditures	407	407	-
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>	-
Prior year ending fund balance	5,206	5,206	-
Refund due to TDCJ-CJAD	(8,628)	(8,628)	-
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**

MENTALLY IMPAIRED CASELOAD PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2021

	Audit	CSCD Report	Difference
Revenue			
State aid	55,000	55,000	-
Total revenue	<u>55,000</u>	<u>55,000</u>	<u>-</u>
Expenditures			
Salaries and fringe benefits	57,535	57,535	-
Professional fees	413	413	-
Total expenditures	<u>57,948</u>	<u>57,948</u>	<u>-</u>
Excess Revenue over (under) Expenditures	(2,948)	(2,948)	-
Other Financing Sources (Uses)			
Transfer in from BS	2,948	2,948	-
Transfers out to CCP	-	-	-
Total other financing sources (uses)	<u>2,948</u>	<u>2,948</u>	<u>-</u>
Prior year ending fund balance	-	-	-
Refund due to TDCJ-CJAD	-	-	-
Audited Year Ending Fund Balance	<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 CASELOAD PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2021

	Audit	CSCD Report	Difference
Revenue			
State aid	80,000	80,000	-
Total revenue	<u>80,000</u>	<u>80,000</u>	-
Expenditures			
Salaries and fringe benefits	63,313	63,313	-
Contract services for offenders	17,790	17,790	-
Professional fees	600	600	-
Supplies & operating	1,676	1,676	-
Total expenditures	<u>83,379</u>	<u>83,379</u>	-
Excess Revenue over (under) Expenditures	(3,379)	(3,379)	-
Other Financing Sources (Uses)			
Transfer in from BS	-	-	-
Transfers out to CCP	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	-
Prior year ending fund balance	16,321	16,321	-
Refund due to TDCJ-CJAD	(12,942)	(12,942)	-
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
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS**

PRE-TRIAL DIVESTION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2021

	Audit	CSCD Report	Difference
Revenue			
State aid	37,020	37,020	-
Total revenue	<u>37,020</u>	<u>37,020</u>	-
Expenditures			
Salaries and fringe benefits	47,857	47,857	-
Professional fees	278	278	-
Total expenditures	<u>48,135</u>	<u>48,135</u>	-
Excess Revenue over (under) Expenditures	(11,115)	(11,115)	-
Other Financing Sources (Uses)			
Transfer in from BS	11,115	11,115	-
Transfers out to CCP	-	-	-
Total other financing sources (uses)	<u>11,115</u>	<u>11,115</u>	-
Prior year ending fund balance	-	-	-
Refund due to TDCJ-CJAD	-	-	-
Audited Year Ending Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of this financial statement

Compliance Section



Goff & Herrington, P.C.

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

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**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, 2021, 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, 2022.

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, 2022

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, 2022

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2021

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, 2021

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, 2021

N/A

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST
FOR THR YEAR ENDED AUGUST 31, 2021**

YES NO N/A

FINANCIAL POLICIES AND PROCEDURES (Questions 1-2)

An explanation is required to be reported in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs if questions 1 and 2 are answered NO.

Duties of the Fiscal Officer, FMM Fiscal Officer, Texas Government Code, Section 76.004 (Question 1)

Texas Government Code, Section 76.004, effective September 1, 2001 allows the judge(s) as described by Government Code section 76.002 the option to appoint a fiscal officer, other than the county auditor, to be responsible for the following: Managing and protecting funds, fees, state aid, and receipts to the same extent that a county auditor manages county funds and funds of other local entities; Ensuring that financial transactions of the department are lawful and allowable; and Prescribing accounting procedures for the department.

1. ___ Did the fiscal officer follow the applicable laws, guidelines, and duties as specified on Fiscal Officer section of the Financial Management Manual for TDCJ-CJAD Funding?

Cash Matching for Grants; FMM Grants, Donations, Fees (Question 2)

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 (CC, DP, or TAIP cash matching) or for funding an accepted Strategic Plan program (Basic Supervision or CC cash matching). All expenditures from the CSCD's matching funds shall be in accordance with the Financial Management Manual for TDCJ-CJAD Funding (see the Allowable and Unallowable Expenditures section of this manual).

2. ___ ___ Was cash matching properly: authorized, budgeted, and expended?

FINANCIAL STATEMENTS (Questions 3-9)

An explanation is required in the corresponding note of the Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs if questions 3, 5, 7, and 9 are answered NO. All sources identified in questions 4, 6, & 8-9 are required to be reported on their designated line item of the audited financial statements and in their corresponding note. See note for further instructions.

3. ___ Were expenditures and revenues supported by adequate documentation?

Interfund Transfers; FMM Financial Reports, Additional Reporting Requirements (Questions 4-5)

CSCDs cannot end a fiscal year with a negative fund balance in any program. Any negative fund balances in CC, DP, or TAIP must be covered by an interfund transfer from Basic Supervision. Basic Supervision can transfer funds to CC, DP, and TAIP. CC can transfer funds to DP and TAIP. Basic Supervision cannot receive funds from any programs unless those programs are returning funds they received from Basic earlier in the fiscal year. Transfers from DP and TAIP can only go to CC if returning funds received from CC earlier in the fiscal year. Transfers between CCs are not allowed; they should be done by increasing/decreasing state aid. Apart from returning unused funds, transfers cannot come from DP (even to/from another DP program) unless approved by the TDCJ-CJAD Division Director.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST
FOR THR YEAR ENDED AUGUST 31, 2021**

4. Did the CSCD have any interfund transfers and/or DP fund transfers in the fiscal year audited?

5. If any, were all interfund transfers and/or DP fund transfers noted during the audit allowable?

Deobligation, Government Code, Chapter 509, Section 509.011 (h), FMM Deobligations (Questions 6-7)

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). Deobligations are a reduction to state aid for funds that are in excess of the amount needed to operate the programs for the remainder of the year and are not to be reported as a refund.

6. In the fiscal year audited, did any deobligation of funds occur because of an excess of funds allocated to programs?

7. Were the appropriate budget adjustments made for any reallocated funds?

Budget Variances, FMM Budgets (Question 8)

*All budget variances identified in the budget variance statements are to be reported in the Budget Variances note of the notes to the financial statements, see note for further instructions. **If any budget variances in excess of the 15% rule, they are required to be reported in the Schedule of Findings and Questioned Costs.***

Expenditure line-item differences over 15% of the last TDCJ-CJAD approved budget within each individual program for the fiscal year audited.

8. Were any unfavorable budget variances in excess of the 15% rule identified in the Individual Statement of Revenues, Budget, Actual, and Variance for the fiscal year audited?

Prior Period Adjustments, FMM Financial Reports, Additional Reporting Requirements (Question 9)

Adjustment to beginning fund balance because of corrections and/or reporting adjustments to the general ledger of prior fiscal years, **not prior quarters of the current fiscal year**. This amount does not include prior-year refunds.

9. If the CSCD had any **prior period adjustments** resulting from accounting corrections or reporting adjustments to the general ledger for the prior fiscal year(s), were they properly reported as prior period adjustments on the quarterly financial report in the corresponding quarter during which they were identified?

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST
FOR THR YEAR ENDED AUGUST 31, 2021**

BASIS OF ACCOUNTING (Questions 10-12)

An explanation is required in the Basis of Accounting portion of the Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs if questions 10-12 are answered NO.

Basis of Accounting Requirements, FMM Fiscal Officer, Duties of the Fiscal Officer and Financial Reports
(Questions 10-12)

FMM, Fiscal Officer, Duties of the Fiscal Officers: Managing and protecting funds, fees, state aid, and other receipts of money. Each program is to be maintained utilizing a separate self-balancing set of financial books and accounting records in accordance with proper fund accounting.

FMM Financial Reports, Basis of Accounting: Although funding recipients are encouraged to use the modified accrual basis of accounting for each quarter, the first, second, and third quarter reports may be prepared on the cash basis method of accounting. The fourth quarter report, which closes out the fiscal year, must be prepared on the modified accrual basis of accounting.

For the funding recipient to report an accrual, as of August 31 on the fourth quarter report, TDCJ-CJAD requires that the expenditures be paid, and the item received by October 31.

- | | | |
|-----|--|---|
| 10. | <input checked="" type="checkbox"/> <input type="checkbox"/> | Was separate accountability maintained for TDCJ-CJAD funds, i.e., fund accounting of self-balancing funds? |
| 11. | <input checked="" type="checkbox"/> <input type="checkbox"/> | Was the modified accrual basis of accounting used in preparing the fourth quarter reports for submission to TDCJ-CJAD? |
| 12. | <input checked="" type="checkbox"/> <input type="checkbox"/> | Were proper cutoff procedures observed at the end of each fiscal period? <i>The cutoff date for revenues recognition and expenditures payments of the fiscal year audited is October 31, of the fiscal year audited.</i> |

FUNDS COLLECTED FROM SOURCES OTHER THAN TDCJ-CJAD REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS (Questions 13-22)

An explanation is required in the Funds Collected from Sources Other Than TDCJ-CJAD Which are Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports note of the Notes to Financial Statements and in the Schedule of Findings and Questioned Costs, if questions 13-14, or 22, are answered NO or 16-17, or 20-21 answered YES.

*If any of the fees identified in questions 15, 18, and 19 were collected, they **are required** to be reported in the Funds Collected from Sources Other Than TDCJ-CJAD Which are Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports note of the Notes to Financial Statements.*

- | | | |
|-----|--|---|
| 13. | <input checked="" type="checkbox"/> <input type="checkbox"/> | Were TDCJ-CJAD funds and locally generated revenues expended in accordance with the Financial Management Manual for TDCJ-CJAD funding (FMM), TDCJ-CJAD Standards, TDCJ-CJAD field correspondence, TDCJ-CJAD Policy Statements, Special Grant Conditions, and applicable laws? |
| 14. | <input checked="" type="checkbox"/> <input type="checkbox"/> | Were locally generated funds, and other collections, documented with a proper receipt system, and can they be traced to probationers' accounts, bank deposits, and statements? |

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST
FOR THR YEAR ENDED AUGUST 31, 2021**

Administrative Fees, Texas Government Code Section 76.015c, FMM Statutory Requirements (Questions 15-17)

Government Code Chapter 76 Community Supervision and Corrections Departments Section 76.015c states: A department may assess a reasonable administrative fee of not less than \$25 and not more than \$60 per month on an individual who participates in a program operated by the department or receives services from the department and who is not paying a monthly fee under Article [42A.652](#), Code of Criminal Procedure (i.e. Community Supervision Fees).

15. ___ Did the CSCD collect any **administrative fees of \$25-\$60** from **offender and/or non-offender individuals** who either participate in a TDCJ-CJAD funded program or receive services from the department and who are not paying a monthly fee under Articles 42A Code of Criminal Procedure (i.e. Community Supervision Fees)?
16. ___ ___ If collected, when the CSCD assessed the administrative fee, did the CSCD assess less than \$25 or more than \$60 for the fee?
17. ___ ___ If collected, did the CSCD assess administrative fees of \$25-\$60 for those individuals who also pay a monthly supervision fee under Articles 42A.652 Code of Criminal Procedure?

Fees for Pretrial Intervention Programs; Texas Code of Criminal Procedure Chapter 102.012, FMM Statutory Requirements (Question 18)

Code of Criminal Procedure Chapter 102 Subchapter A General Costs Article 102.012, Fees for Pretrial Intervention Program states: (a) A court that authorizes a defendant to participate in a pretrial intervention program established under Section [76.011](#), Government Code, may order the defendant to pay to the court a supervision fee in an amount not more than \$60 per month as a condition of participating in the program. (b) In addition to or in lieu of the supervision fee authorized by Subsection (a), the court may order the defendant to pay or reimburse a community supervision and corrections department for any other expense that is: (1) incurred as a result of the defendant's participation in the pretrial intervention program, other than an expense described by Article [102.0121](#); or (2) necessary to the defendant's successful completion of the program.

18. ___ Did the CSCD collect fees for **pretrial intervention programs** in the fiscal year audited?

Administrative Fee (i.e., Transaction Administrative Fee); Texas Code of Criminal Procedure, Article 102.072, FMM Statutory Requirements (Questions 19-22)

Texas Code of Criminal Procedure, Article 102.072; Administrative Fee states: An officer listed in Article [103.003](#) or a community supervision and corrections department may assess an administrative fee for each transaction made by the officer or department relating to the collection of fines, fees, restitution, or other costs imposed by a court. The fee may not exceed \$2 for each transaction. This article does not apply to a transaction relating to the collection of child support. A "transaction" is defined as an event that involves the collection of money for one or more purposes that results in a preparation of a single receipt. CSCDs shall not prepare separate receipts for money received during a single event for multiple purposes (i.e. to collect multiple \$2 administrative fees).

The "transaction" administrative \$2 fee is required to be budgeted and reported as Other Revenue in Basic Supervision.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST
FOR THR YEAR ENDED AUGUST 31, 2021**

19. Did the CSCD collect **administrative fees** (i.e. **transaction administrative fees**) for each transaction made by the department relating to the collection of fines, fees, restitutions, or other costs imposed by a court during the fiscal year audited?
20. If collected, did any single **transaction administrative** fee exceed the allowable \$2?
21. If collected, during each transaction, does the CSCD issue separate receipts for each fine, fee, restitution, or other cost paid while charging the \$2 **transaction administrative fee** for each receipt?
22. If collected, was the **transaction administrative fee** budgeted and recorded as Other Revenue in Basic Supervision and accounted for on a consistent basis (FMM Statutory Requirements)?

CASH, COLLECTIONS, CHANGE FUND, PETTY CASH (Questions 23-26)

An explanation is required to be reported in the Cash, Collections, Change Fund, Petty Cash & Investments note of the Notes to the Financial Statements and included in the Schedule of Findings and Questioned Costs if questions 23-26, 28, 32-33, and 34 are answered NO. All change fund and petty cash funds are required to be reported in the Cash, Collections, Change Fund, and Petty Cash & Investments note of the Notes to the Financial Statements.

Deposits and Disbursement Requirements, (Questions 23-26)

Government Code, Section 509.011 (c) Each department, county, or municipality shall deposit all state aid received from the division in a special fund of the county treasury or municipal treasury, as appropriate, to be used solely for the provision of services, programs, and facilities under this chapter or Subchapter H, Chapter [351](#), Local Government Code.

Local Government Code, Section 140.003 (f) Each specialized local entity (CSCD) shall deposit in the county treasury of the county in which the entity has jurisdiction the funds the entity receives. The county shall hold, deposit, disburse, invest, and otherwise care for the funds on behalf of the specialized local entity (CSCD) as the entity (CSCD) directs. If a specialized local entity has jurisdiction in more than one county, the district judges having jurisdiction in those counties, by a majority vote, shall designate from among those counties the county responsible for managing the entity's funds.

Local Government Code, Section 113.022 (a) A county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received. However, in a county with fewer than 50,000 inhabitants, the commissioner's court may extend the period during which funds must be deposited with the county treasurer, but the period may not exceed 15 days after the date the funds are received. (b) A county treasurer shall deposit the money received under Subsection (a) in the county depository in accordance with Section [116.113](#)(a). In all cases, the treasurer shall deposit the money on or before the seventh business day after the date the treasurer receives the money.

Local Government Code, Section 113.001. COUNTY TREASURER AS CHIEF CUSTODIAN OF MONEY. The county treasurer, as chief custodian of county funds, shall keep in a designated depository and shall account for all money belonging to the county.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST
FOR THR YEAR ENDED AUGUST 31, 2021**

Local Government Code, Section 116.113. DEPOSIT OF FUNDS. (a) Immediately after the commissioner's court designates a county depository, the county treasurer shall transfer to the depository all of the county's funds and the funds of any district or municipal subdivision of the county that does not select its own depository. The treasurer shall also immediately deposit with the depository to the credit of the county, district, or municipality any money received after the depository is designated.

Local Government Code Section 116.115. CLEARINGHOUSE FOR MULTIPLE DEPOSITORIES. If the funds of a county are deposited with more than one depository, the commissioner's court shall by order name one of the depositories to act as a clearinghouse for the others. All county orders for payment are finally payable at the depository named as the clearinghouse.

23. Were all the CSCD's state aid and net funds (revenues) received, deposited, and held in a special fund of the county treasury (county's bank account) during the fiscal year audited?

24. Were all the CSCD's state aid and net funds (revenues) received: held, deposited, disbursed, invested, and otherwise cared for by the county on behalf of the CSCD, as the CSCD directed during the fiscal year audited?

25. Were all the CSCD's state aid and net funds' (revenues) received deposited in the county treasury (county's bank account) within the time period required by Local Government Code 113.022 during the fiscal year audited?

26. Were all the CSCD's collection accounts' remaining net funds (revenues) transferred to the county treasury (county's bank account) within the time period required by Local Government Code 113.022 during the fiscal year audited?

Change Fund, Local Government Code, Chapter 130, Section 130.902 (a), FMM Fiscal Change Fund (*Questions 27-28*)

Local Government Code, Chapter 130, Section 130.902 (a) The commissioner's court of a county may set aside from the general fund of the county an amount approved by the county auditor for use as a change fund by any county or district official who collects public funds. The fund may be used only to make change in connection with collections that are due and payable to the county, the state, or another political subdivision of the state that are often made by the official. (b) The bond of that official who receives such a change fund must cover the official's responsibility for the correct accounting and disposition of the change fund.

27. Did the CSCD maintain a **change fund** authorized by the fiscal officer in the fiscal year audited? Change Funds are not to be confused with petty cash funds (*FMM Fiscal Officer*).

28. Was the **change fund** *only* used to make change in connection with collections that are due and payable to the CSCD?

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST
FOR THR YEAR ENDED AUGUST 31, 2021**

Petty Cash Utilizing CSCD Funds, Local Government Code, Section 130.909, FMM Petty Cash (Questions 29-33)

Local Government Code, Section 130.909. (a) The commissioner’s court of a county may set aside from the general fund of the county, for the establishment of a petty cash fund for any county or district official or department head approved by the commissioner’s court, an amount approved by: (1) the county auditor, for a county with a population of 3.3 million or more; or (2) the commissioner’s court, for a county with a population of less than 3.3 million. (FMM, State Payments, Financial Reports, Community Corrections Facility and Fiscal Officer)

29. ___ Did the CSCD maintain **petty cash** in the fiscal year audited?
30. ___ ___ Was the petty cash fund maintained by **utilizing the CSCD’s funds** authorized by the county auditor?
31. ___ ___ Was the petty cash fund maintained by **utilizing NON-CSCD revenues** (i.e. vending machine revenues)?
32. ___ ___ Were **petty cash funds utilizing CSCD’s funds** used only for specific purposes for allowable items as listed in the Financial Management Manual for TDCJ-CJAD Funding?
33. ___ ___ Were **petty cash funds utilizing CSCD’s funds** expended only for emergency situations authorized by a written policy and approved by the CSCD director?

Employee Surety Bond Coverage, FMM Employee Surety Bond Coverage (Question 34)

CSCD directors shall ensure that all public funds are protected by requiring that all employees with access to funds are covered by Employee Surety Bond coverage and that all funds maintained on CSCD premises are protected by appropriate insurance or bonding. Funds on CSCD premises shall not exceed insurance/bond limits of coverage. CSCDs that have been authorized to have a change fund shall have Employee Surety Bond coverage on the employee who maintains and administers the change fund or petty cash fund, and the coverage shall include the employee’s responsibility for the correct accounting and disposition of the change fund or petty cash fund.

34. ___ Were all employees who had access to public funds and/or maintained and administered public funds, change funds and petty cash, which cover the employees’ responsibility for the correct accounting and disposition of the change fund and petty cash, covered by an employee surety bond?

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST
FOR THR YEAR ENDED AUGUST 31, 2021**

SCHEDULE OF DIFFERENCES (Question 35)

An explanation is required to be reported in the Schedule of Differences, Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs if questions 35 is answered NO.

35. Were revenues and expenditures as reported to TDCJ-CJAD on the quarterly financial reports in agreement with the funding recipient's accounting records (CSCD's actuals), the last approved budget, and with audited financial statements?

COMPLIANCE AND OTHER MATTERS; Standards for Financial Audits; Chapter 4, Item 4.25 Government Auditing Standards (Questions 36-40)

An explanation is required to be reported in the Report on Compliance and Internal Control and in the Schedule of Findings and Questioned Costs If questions 36-40 are answered YES.

36. Were there any instances of deficiencies in internal control noted by the auditor?

37. Were there any instances of non-compliance noted by the auditor?

38. Were there any instances of fraud noted by the auditor?

39. Were there any instances of waste noted by the auditor?

40. Were there any instances of abuse noted by the auditor?

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Standards for Financial Audits; Chapter 4, Item 4.05, Government Auditing Standards (Questions 41-42)

An explanation is required to be reported in Schedule of Findings and Questioned Costs for Prior Year if questions 41-42 are answered NO.

41. Do any action plans exist for significant findings from prior year audits?

42. If action plans exist from prior year audit findings, are they current?



Mary Newton <mnewton@co.nacogdoches.tx.us>

FY21 Independent Audit

1 message

Mary Newton <mnewton@co.nacogdoches.tx.us>

Fri, Feb 25, 2022 at 12:39 PM

To: CJAD.Fiscal.Audit@tdcj.texas.gov

Cc: Jessica Corley <jcorley@co.nacogdoches.tx.us>, Ty McCarty <tmccarty@co.nacogdoches.tx.us>

Good Afternoon,

The FY 2021 Audit Report for the Nacogdoches County CSCD is attached. Please let me know if you need anything further.

Thank you,

Mary

--

Mary A. Newton

Asst. Auditor

Nacogdoches County

mnewton@naccotx.us

936-560-7816

Live by Example!



DProb Audit Report FY21.pdf

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