

NACOGDOCHES COUNTY
DISTRICT PROBATION DEPARTMENT
AUGUST 31, 2019

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

TABLE OF CONTENTS

	Page No.
<u>Financial Section</u>	
Independent Auditor's Report	1-3
Combined Statement of Financial Position - Regulatory Basis.....	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Regulatory Basis	5
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Community Corrections Programs	6
Statement of Revenues, Expenditures and Changes in Fund Balance - Regulatory Basis - Budget and Actual: Basic Supervision Program	7
Community Corrections Programs: Community Service Restitution	8
Special Services	9
Sex Offender Caseload	10
Notes to Financial Statements	11-15
<u>Supplemental Schedules</u>	
Schedule of Differences Between Audit Report and CSCD Quarterly Reports Basic Supervision Program	16
Community Corrections Programs: Community Service Restitution	17
Special Services	18
Sex Offender Caseload	19
<u>Compliance Section</u>	
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 <u>Government Auditing Standards</u>	20-21
Schedule of Findings and Questioned Costs.....	22
Schedule of Status of Prior Audit Findings	23
Corrective Action Plan.....	24
TDCJ-CJAD Independent Audit Compliance Checklist	25-33

Financial Section



Goff & Herrington, P.C.

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

P.O. Box 153320 • Lufkin, TX. 75915 • (936) 634-2345 • Fax:(936) 622-6823

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, 2019, 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, 2020.

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, 2020

Page 2

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, 2019, 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, 2020

Page 3

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2020 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, 2020

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT
COMBINED STATEMENT OF FINANCIAL POSITION - REGULATORY BASIS
AUGUST 31, 2019**

ASSETS	Basic Supervision	Community Corrections	Diversion Programs	Total
Cash and Investments				
Bank balances	108,720	4,251	5,601	118,572
Time deposits	305,158	-	-	305,158
Total cash and investments	<u>413,878</u>	<u>4,251</u>	<u>5,601</u>	<u>423,730</u>
Accounts Receivable				
Community supervision fees	5,023	-	-	5,023
Other receivables	357	-	-	357
Total accounts receivable	<u>5,380</u>	<u>-</u>	<u>-</u>	<u>5,380</u>
Other assets				
Prepaid assets	11,291	-	-	11,291
Total other assets	<u>11,291</u>	<u>-</u>	<u>-</u>	<u>11,291</u>
Total assets	<u><u>430,549</u></u>	<u><u>4,251</u></u>	<u><u>5,601</u></u>	<u><u>440,401</u></u>
 LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	2,763	1,770	900	5,433
Due to state	-	457	3,504	3,961
Salaries payable	15,846	2,024	1,197	19,067
Deferred revenues	1,600	-	-	1,600
Total liabilities	<u>20,209</u>	<u>4,251</u>	<u>5,601</u>	<u>30,061</u>
Fund Balance	<u>410,340</u>	<u>-</u>	<u>-</u>	<u>410,340</u>
Total liabilities and fund balance	<u><u>430,549</u></u>	<u><u>4,251</u></u>	<u><u>5,601</u></u>	<u><u>440,401</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, 2019**

	<u>Basic Supervision</u>	<u>Community Corrections</u>	<u>Diversion Programs</u>	<u>Total</u>
Revenue				
State aid	324,391	121,046	80,000	525,437
State aid: SAFPF	5,569	-	-	5,569
Community supervision fees	622,977	-	-	622,977
Payments by program participants	72,413	-	-	72,413
Interest income	4,271	-	-	4,271
Other revenue	4,620	-	-	4,620
Total revenue	<u>1,034,241</u>	<u>121,046</u>	<u>80,000</u>	<u>1,235,287</u>
Expenditures				
Salaries and fringe benefits	813,103	126,493	61,699	1,001,295
Travel and furnished transportation	40,536	1,278	-	41,814
Contract services for offenders	8,512	2,040	14,678	25,230
Professional fees	11,587	908	600	13,095
Supplies and operating	36,405	1,862	1,470	39,737
Utilities	3,215	-	-	3,215
Equipment	9,119	1,044	-	10,163
Total expenditures	<u>922,477</u>	<u>133,625</u>	<u>78,447</u>	<u>1,134,549</u>
Excess revenue over (under) expenditures	111,764	(12,579)	1,553	100,738
Other Financing Sources (Uses)				
Transfers in from BS	-	9,431	-	9,431
Transfers out to CCP	(9,431)	-	-	(9,431)
Total other financing sources (uses)	<u>(9,431)</u>	<u>9,431</u>	<u>-</u>	<u>-</u>
Prior year ending fund balance	308,007	3,605	1,952	313,564
Refund due to TDCJ-CJAD	-	(457)	(3,505)	(3,962)
Audited year ending fund balance	<u>410,340</u>	<u>-</u>	<u>-</u>	<u>410,340</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, 2019

	404	402	
	Community Service Restitution	Special Services	Total
	<u> </u>	<u> </u>	<u> </u>
Revenue			
State aid	53,347	67,699	121,046
Total revenue	<u>53,347</u>	<u>67,699</u>	<u>121,046</u>
 Expenditures			
Salaries and fringe benefits	52,289	74,204	126,493
Travel and furnished transportation	1,278	-	1,278
Contract services for offenders	2,040	-	2,040
Professional fees	401	507	908
Supplies and operating	1,862	-	1,862
Equipment	1,044	-	1,044
Total expenditures	<u>58,914</u>	<u>74,711</u>	<u>133,625</u>
 Excess revenue over (under) expenditures	 (5,567)	 (7,012)	 (12,579)
 Other Financing Sources (Uses)			
Transfer in from BS	2,419	7,012	9,431
Transfers out to CCP	-	-	-
Total other financing sources (uses)	<u>2,419</u>	<u>7,012</u>	<u>9,431</u>
 Prior year ending fund balance	 3,605	 -	 3,605
Refund due to TDCJ-CJAD	(457)	-	(457)
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
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - REGULATORY BASIS - BUDGET AND ACTUAL**

BASIC SUPERVISION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Requested TDCJ-CJAD funding (state aid)	324,391	324,391	-
State aid: SAFPF	7,000	5,569	(1,431)
Community supervision fees	500,000	622,977	122,977
Payments by program participants	102,000	72,413	(29,587)
Interest income	1,000	4,271	3,271
Other revenue	3,000	4,620	1,620
Total revenue	937,391	1,034,241	96,850
Expenditures			
Salaries and fringe benefits	823,436	813,103	10,333
Travel and furnished transportation	46,400	40,536	5,864
Contract services for offenders	13,330	8,512	4,818
Professional fees	14,283	11,587	2,696
Supplies and operating	322,222	36,405	285,817
Utilities	4,600	3,215	1,385
Equipment	11,686	9,119	2,567
Total expenditures	1,235,957	922,477	313,480
Excess revenue over (under) expenditures	(298,566)	111,764	410,330
Other Financing Sources (Uses)			
Transfer in from BS		-	
Transfers out to CCP		(9,431)	
Total other financing sources (uses)		(9,431)	
Prior year ending fund balance		308,007	
Refund due to TDCJ-CJAD		-	
Audited year ending fund balance		410,340	

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, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Requested TDCJ-CJAD funding (state aid)	53,347	53,347	-
Total revenue	53,347	53,347	-
Expenditures			
Salaries and fringe benefits	52,324	52,289	35
Travel and furnished transportation	1,200	1,278	(78)
Contract services for offenders	2,040	2,040	-
Professional fees	400	401	(1)
Supplies and operating	1,940	1,862	78
Equipment	1,467	1,044	423
Total expenditures	59,371	58,914	457
Excess revenue over (under) expenditures	(6,024)	(5,567)	457
Other Financing Sources (Uses)			
Transfer in from BS		2,419	
Transfers out to CCP		-	
Total other financing sources (uses)		2,419	
Prior year ending fund balance		3,605	
Refund due to TDCJ-CJAD		(457)	
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, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Requested TDCJ-CJAD funding (state aid)	67,699	67,699	-
Total revenue	67,699	67,699	-
Expenditures			
Salaries and fringe benefits	74,214	74,204	10
Professional fees	507	507	-
Total expenditures	74,721	74,711	10
Excess revenue over (under) expenditures	(7,022)	(7,012)	10
Other Financing Sources (Uses)			
Transfer in from BS	7,022	7,012	(10)
Transfers out to CCP	-	-	-
Total other financing sources (uses)	7,022	7,012	(10)
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**

SEX OFFENDER CASELOAD PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Requested TDCJ-CJAD funding (state aid)	80,000	80,000	-
Total revenue	<u>80,000</u>	<u>80,000</u>	-
Expenditures			
Salaries and fringe benefits	61,906	61,699	207
Contract services for offenders	15,636	14,678	958
Professional fees	600	600	-
Supplies & operating	3,810	1,470	2,340
Total expenditures	<u>81,952</u>	<u>78,447</u>	<u>3,505</u>
Excess revenue over (under) expenditures	(1,952)	1,553	3,505
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		1,952	
Refund due to TDCJ-CJAD		<u>(3,505)</u>	
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

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2019

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, 2019 for financial activity performed by August 31, 2019, are considered available. Also, purchases for which the commitment has been established by August 31, 2019, 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, 2019. 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, 2019

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, 2019 will be reviewed and approved/disapproved by the TDCJ-CJAD. TDCJ-CJAD will not accept budget adjustments after September 30, 2019 for the previous fiscal year. Only budget adjustments approved by the TDCJ-CJAD should be referred to in performing the financial audit.

NOTE 2 – ONE-TIME/SUPPLEMENTAL PAYMENTS

The Department did not receive any supplemental or one-time grant awards during the fiscal year ended August 31, 2019.

NOTE 3 – DEOBLIGATIONS

There are no deobligations to report for the year ended August 31, 2019.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers for the year ended August 31, 2019 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 & operating expenditures	<u>7,012</u>
	<u><u>9,431</u></u>

NOTE 5 - PRIOR PERIOD ADJUSTMENTS

There were no prior period adjustments recorded during the fiscal year ended August 31, 2019.

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2019

NOTE 6 - REFUNDS

During the year ended August 31, 2019, the Department reported the following refunds payable:

Community Service Restitution Program - refunds	457
Sex Offender Caseload Program- refunds	<u>3,505</u>
	<u><u>3,962</u></u>

The Department paid these refunds in full on November 19, 2019.

NOTE 7 - 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, 2019.

Idle funds are invested in interest bearing accounts.

NOTE 8 - EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL PROGRAMS

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

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2019

NOTE 9 - 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	622,977	<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	26,635	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Cognitive Behavior Fees	1,905	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Program Urinalysis Fees	43,423	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Anger Management Program	450	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Total Program Participant Fees	<u>72,413</u>		
Interest income	4,271	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Other Revenues:			
Administrative Fee	5	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Aluminum Salvage	369	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
ID Card Fees	70	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Health & Human Services Commission Restitution Fee	24	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Compensation to Victims of Crime Auxiliary Fund Collection Fee	252	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Firearms Certification Class	3,900	<i>Financial Management Manual for TDCJ-CJAD Funding restrictions</i>	Yes
Total Other Income	<u>4,620</u>		
	<u><u>704,281</u></u>		

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2019

NOTE 10 - COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies to report for the year ended August 31, 2019.

NOTE 11 - 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, 2020 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, 2019

	Audit	CSCD Report	Difference
Revenue			
State aid	324,391	324,391	-
SAFPF	5,569	5,569	-
Probation fees	622,977	622,977	-
Payments by program participants	72,413	72,413	-
Interest	4,271	4,271	-
Other	4,620	4,620	-
Total revenue	<u>1,034,241</u>	<u>1,034,241</u>	-
Expenditures			
Salaries and fringe benefits	813,103	813,103	-
Travel and furnished transportation	40,536	40,536	-
Contract services for offenders	8,512	8,512	-
Professional fees	11,587	11,587	-
Supplies and operating	36,405	36,405	-
Utilities	3,215	3,215	-
Equipment	9,119	9,119	-
Total expenditures	<u>922,477</u>	<u>922,477</u>	-
Excess revenue over (under) expenditures	111,764	111,764	-
Other Financing Sources (Uses)			
Transfer in from BS	-	-	-
Transfers out to CCP	(9,431)	(9,431)	-
Total other financing sources (uses)	<u>(9,431)</u>	<u>(9,431)</u>	-
Prior year ending fund balance	308,007	308,007	-
Refund due to TDCJ-CJAD	-	-	-
Audited year ending fund balance	<u><u>410,340</u></u>	<u><u>410,340</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, 2019

	Audit	CSCD Report	Difference
Revenue			
State aid	53,347	53,347	-
Total revenue	<u>53,347</u>	<u>53,347</u>	-
Expenditures			
Salaries and fringe benefits	52,289	52,289	-
Travel and furnished transportation	1,278	1,278	-
Contract services for offenders	2,040	2,040	-
Professional fees	401	401	-
Supplies and operating	1,862	1,862	-
Equipment	1,044	1,044	-
Total expenditures	<u>58,914</u>	<u>58,914</u>	-
Excess revenue over (under) expenditures	(5,567)	(5,567)	-
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	3,605	3,605	-
Refund due to TDCJ-CJAD	(457)	(457)	-
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, 2019

	Audit	CSCD Report	Difference
Revenue			
State aid	67,699	67,699	-
Total revenue	<u>67,699</u>	<u>67,699</u>	<u>-</u>
Expenditures			
Salaries and fringe benefits	74,204	74,204	-
Professional fees	507	507	-
Total expenditures	<u>74,711</u>	<u>74,711</u>	<u>-</u>
Excess revenue over (under) expenditures	(7,012)	(7,012)	-
Other Financing Sources (Uses)			
Transfer in from BS	7,012	7,012	-
Transfers out to CCP	-	-	-
Total other financing sources (uses)	<u>7,012</u>	<u>7,012</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, 2019

	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	61,699	61,699	-
Contract services for offenders	14,678	14,678	-
Professional fees	600	600	-
Supplies and operating	1,470	1,470	-
Total expenditures	<u>78,447</u>	<u>78,447</u>	-
Excess revenue over (under) expenditures	1,553	1,553	-
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	1,952	1,952	-
Refund due to TDCJ-CJAD	(3,505)	(3,505)	-
Audited year ending fund balance	<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) 634-2345 • 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, 2019, 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, 2020.

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, 2020

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, 2020

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2019

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, 2019

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, 2019

N/A

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST

FOR THE YEAR ENDED AUGUST 31, 2019

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 3-14)

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, 10, and 11 are answered NO. All sources identified in questions 4, 6, 8-9 & 11 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 they are returning funds they received from CC earlier in the fiscal year. Transfers between CCs are not allowed; they should be done by increasing/decreasing state aid. With the exception of returning unused funds, transfers cannot come from DP (even to/from another DP) unless approved by the TDCJ-CJAD Division Director.

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST

FOR THE YEAR ENDED AUGUST 31, 2019

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 as a result of an excess of funds allocated to programs?
7. Were the appropriate budget adjustments made for any reallocated funds?

One-Time/Supplemental Payments, FMM Fund Balances/Refund Policy (Questions 8)

One-time funding is awarded on a competitive basis. The priorities for distribution are determined biennially. One-time funding consists of: additional basic supplemental payment and additional one-time payments. Examples include, but are not limited to: longevity increases, one-time grant-TRAS training, research, fund movement, closed and deobligated carryover fund reobligated, insurance reduction, etc.

8. Did the CSCD receive any One-Time Additional Grant Awards and/or Basic Supervision Supplemental Payments in of the fiscal year audited?

Unauthorized Expenditures, FMM Budgets (Questions 9-10)

All unauthorized expenditures identified in the budget variance statements are to be reported in the related Excess of Expenditures Over Budgets note of the notes to the financial statements, see note for further instructions. **If any unauthorized expenditure that is in excess of the 15% rule, they are required to be reported in the Schedule of Findings and Questioned Costs.**

Budget total line item differences either over 15% that resulted in unauthorized expenditures (expenditures that did not receive prior approval from TDCJ-CJAD) for the fiscal year under audit in the CSCD's independent audit report shall be refunded to TDCJ-CJAD from the then-current Basic Supervision funding for the CSCD.

9. Were any unfavorable budget variances identified in the Individual Statement of Revenues, Budget, Actual, and Variance in the fiscal year audited, including those that were not in excess of the 15% rule?

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST

FOR THE YEAR ENDED AUGUST 31, 2019

10. If so, were there any unfavorable budget variances in excess of the 15% rule from the fiscal year audited that resulted in unauthorized expenditure(s) that the CSCD will be required to refund to the TDCJ-CJAD?

Prior Period Adjustments, FMM Financial Reports, Additional Reporting Requirements (Question 11)

Adjustment to beginning fund balance as a result of corrections and/or audit findings of prior fiscal years, **not prior quarters of the current fiscal year**. This amount does not include prior-year refunds.

11. If the CSCD had any unauthorized expenditure refunds resulting from the audit conducted in the **prior fiscal year**, were these refunds properly reported as prior period adjustments on the quarterly financial report in the period that the funds were paid and returned to TDCJ-CJAD?

BASIS OF ACCOUNTING (Questions 12-14)

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 12-14 are answered NO.

Basis of Accounting Requirements, FMM Fiscal Officer, Duties of the Fiscal Officer and Financial Reports (Questions 12-14)

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.

In order 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.

12. Was separate accountability maintained for TDCJ-CJAD funds; i.e., fund accounting of self-balancing funds?
13. Was the modified accrual basis of accounting used in preparing the fourth quarter reports for submission to TDCJ-CJAD?
14. Were proper cutoff procedures observed at the end of each fiscal period? *The cutoff date for revenues recognition and expenditures payments of the fiscal year audited is **October 31, of the fiscal year audited.***

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST

FOR THE YEAR ENDED AUGUST 31, 2019

FUNDS COLLECTED FROM SOURCES OTHER THAN TDCJ-CJAD REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS (Questions 15-24)

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 15-16, or 24, are answered NO or 18-19, or 22-23 answered YES.

If any of the fees identified in questions 17, 20, and 21 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.

15. 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?
16. 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?

Administrative Fees, Texas Government Code Section 76.015c, FMM Statutory Requirements (Questions 17-19)

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).

17. 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)?
18. If collected, when the CSCD assessed the administrative fee, did the CSCD assess less than \$25 or more than \$60 for the fee?
19. 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?

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST

FOR THE YEAR ENDED AUGUST 31, 2019

Fees for Pretrial Intervention Programs; Texas Code of Criminal Procedure Chapter 102.012, FMM Statutory Requirements (*Questions 20*)

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.

20. 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 21-24*)

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. in order to collect multiple \$2 administrative fees).

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

21. 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?

22. If collected, did any single **transaction administrative** fee exceed the allowable \$2?

23. 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?

24. 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)?

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST

FOR THE YEAR ENDED AUGUST 31, 2019

CASH, COLLECTIONS, CHANGE FUND, PETTY CASH (Questions 25-28)

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 25-28, 30, 34-35, and 36 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 25-28)

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 commissioners 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.

Local Government Code, Section 116.113. DEPOSIT OF FUNDS. (a) Immediately after the commissioners 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 DEPOSITORY. If the funds of a county are deposited with more than one depository, the commissioners 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.

25. 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?

26. 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?

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST

FOR THE YEAR ENDED AUGUST 31, 2019

27. 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?
28. 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 29-30*)

Local Government Code, Chapter 130, Section 130.902 (a) The commissioners 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.

29. 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*).
30. Was the **change fund only** used to make change in connection with collections that are due and payable to the CSCD?

Petty Cash Utilizing CSCD Funds, Local Government Code, Section 130.909, FMM Petty Cash (*Questions 31-35*)

Local Government Code, Section 130.909. (a) The commissioners 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 commissioners court, an amount approved by: (1) the county auditor, for a county with a population of 3.3 million or more; or (2) the commissioners court, for a county with a population of less than 3.3 million. (FMM, State Payments, Financial Reports, Community Corrections Facility and Fiscal Officer)

31. Did the CSCD maintain **petty cash** in the fiscal year audited?
32. Was the petty cash fund maintained by **utilizing the CSCD's funds** authorized by the county auditor?
33. Was the petty cash fund maintained by **utilizing NON-CSCD revenues** (i.e. vending machine revenues)?

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST

FOR THE YEAR ENDED AUGUST 31, 2019

34. 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?

35. 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 36)

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.

36. 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?

SCHEDULE OF DIFFERENCES (Questions 37)

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 37 is answered NO.

37. 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 38-42)

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 38-42 are answered YES.

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

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

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

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

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

NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST

FOR THE YEAR ENDED AUGUST 31, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Standards for Financial Audits; Chapter 4, Item 4.05, Government Auditing Standards (*Questions 43-44*)

An explanation is required to be reported in Schedule of Findings and Questioned Costs for Prior Year if questions 43-44 are answered NO.

43. ___ ___ Do any action plans exist for significant findings from prior year audits?
44. ___ ___ If action plans exist from prior year audit findings, are they current?



Jessica Corley <jcorley@co.nacogdoches.tx.us>

Re: FROM CJAD:FY19 Independent Audit Guidelines (Corrected)

1 message

Jessica Corley <jcorley@co.nacogdoches.tx.us>

Thu, Feb 27, 2020 at 9:02 AM

To: Kevin Johnson <Kevin.Johnson@tdcj.texas.gov>, Homa Caldwell-Tomas <Homa.Caldwell.Tomas@tdcj.texas.gov>

Cc: Ty McCarty <tmccarty@co.nacogdoches.tx.us>

Good morning,

The FY 2019 Audit Report for the Nacogdoches County CSCD is attached.
Please let me know if you need anything.

Thank you very much!
jessica

Jessica Roark Corley

Nacogdoches County Auditor

jcorley@co.nacogdoches.tx.us

936.560.7828 Direct, Voice Mail

936.560.7761 Auditor's Office

936.560.7755 Ext. 253 - Courthouse

936.560.7702 Fax

Nacogdoches County Auditor's Office

101 West Main, Ste. 140

Nacogdoches, TX 75961

www.co.nacogdoches.tx.us**The only disability in life is a bad attitude. -Scott Hamilton**www.TexasCountiesDeliver.org

On Tue, Sep 10, 2019 at 1:05 PM Kevin Johnson <Kevin.Johnson@tdcj.texas.gov> wrote:

Good afternoon,

You should have received the FY19 Independent Audit Guidelines via email yesterday afternoon. In my haste to get the document out to you, there was an error that occurred in the page numbering in the document; it has been corrected and the new version with today's date is attached. I also omitted due dates. I apologize for any inconvenience. The submission dates for engagement letters and independent audit reports are:

- Audit engagement letters and the audit firm's quality control review reports-**Friday, November 8th, 2019**
- Independent audit reports-**Friday, February 28th, 2020**

Note: The CSCD has the option to submit both the engagement letter and audit report in PDF via email, hard copy, or both.

If circumstances prevent meeting these due dates, please contact either David Peden, Senior Fiscal Auditor, at (512) 305-9340 or David.Peden@TDCJ.Texas.gov, or Homa Caldwell-Tomas, Director of Fiscal Management, at (512) 463-8846 or Homa.Caldwell.Tomas@TDCJ.Texas.gov to request an extension. A Word version of the Compliance Checklist is available upon request.

Thank you.

Kevin L. Johnson

Financial Operations Director

TDCJ-Community Justice Assistance Division

209 West 14th Street, Suite 400

Austin, TX 78701

(512) 463-8266

 **District Probation Audit Report_FY2019.pdf**
266K