

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

For The Year Ended  
August 31, 2022



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

*For The Year Ended August 31, 2022*

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## Independent Auditor's Report

Members of the Board  
Nacogdoches County Juvenile Probation Board  
Nacogdoches County, Texas

### **Opinion**

We have audited the accompanying financial statements of the Texas Juvenile Justice Department Grant Funds of Nacogdoches County Juvenile Probation Department (the "Department"), which comprise the statement of revenues, expenditures and changes in fund balance - budget and actual - regulatory basis for the year ended August 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the revenue earned and expenditures incurred compared to budgeted revenues and expenditures of the Department's Texas Juvenile Justice Department Grant Funds for the year ended August 31, 2022, in accordance with the financial reporting provisions of the Texas Juvenile Justice Department described in Note 1.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Department, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter—Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared by the Department, in accordance with the financial reporting provisions of the Texas Juvenile Justice Department, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Texas Juvenile Justice Department. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Texas Juvenile Justice Department, as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Restriction on Use**

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

***KM&L, LLC***

Lake Jackson, Texas  
February 22, 2023



### 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*

Members of the Board  
Nacogdoches County Juvenile Probation Board  
Nacogdoches County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Texas Juvenile Justice Department Grant Funds of Nacogdoches County Juvenile Probation Department (the "Department"), as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the Department's financial statements, and have issued our report thereon dated February 22, 2023.

### **Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

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## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

***KM&L, LLC***

Lake Jackson, Texas  
February 22, 2023



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**NACOGDOCHES COUNTY JUVENILE PROBATION DEPARTMENT**  
*TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS*  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE BY CONTRACT - BUDGET AND ACTUAL - REGULATORY BASIS**  
For the Year Ended August 31, 2022

	A-2022-174		
	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
TJJD Funds	\$ 476,217	\$ 476,217	\$ -
Total revenues	<u>476,217</u>	<u>476,217</u>	<u>-</u>
Expenditures:			
Basic probation supervision	148,284	148,284	-
Community programs	11,176	11,176	-
Pre post adjudication	170,848	170,848	-
Commitment diversion	143,859	143,859	-
Mental health services	<u>2,050</u>	<u>2,050</u>	<u>-</u>
Total expenditures	<u>476,217</u>	<u>476,217</u>	<u>-</u>
Excess of revenues over (under) expenditures	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to the financial statements.

R-2022-174

Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 3,353	\$ 3,353	\$ -
<u>3,353</u>	<u>3,353</u>	<u>-</u>
-	-	-
3,353	3,353	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>3,353</u>	<u>3,353</u>	<u>-</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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# NACOGDOCHES COUNTY JUVENILE PROBATION DEPARTMENT

## Notes to the Financial Statements

For The Year Ended August 31, 2022

### NOTE 1 - Summary of Significant Accounting Policies

#### A. Entity

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

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

#### B. Basis of Accounting

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

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

### NOTE 2 - Reconciliation of Interest Earned

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

	<u>TJJD</u>	<u>Title IV-E</u>	<u>Total</u>
Beginning balance	\$ 1,324	\$ 45,902	\$ 47,226
Interest earned	98	948	1,046
Minus expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Ending balance	<u>\$ 1,422</u>	<u>\$ 46,850</u>	<u>\$ 48,272</u>

# NACOGDOCHES COUNTY JUVENILE PROBATION DEPARTMENT

## Notes to the Financial Statements

For The Year Ended August 31, 2022

### NOTE 3 - Operating Cost For a Secure Juvenile Facility

The Department does not operate a secure juvenile facility.

### NOTE 4 - Federal Financial Assistance

The Texas Juvenile Justice Department administers along with the Texas Department of Family and Protective Services, the Title IV-E Program (ALN 93.658). TJJD disburses funds to Nacogdoches County on a cost reimbursement basis. A confirmation of revenue received in the year ending August 31, 2022 is required and presented below. This includes receipts for direct and enhanced administrative foster care.

<u>Title IV-E Contract Number</u>	<u>Amount Received (Cash Basis) August 31, 2022</u>
None	\$ -

### NOTE 5 - Financial Match Requirements

To receive Texas Juvenile Justice Department state funds, the juvenile probation departments are required to certify that the amount of local or county funds expended for juvenile services is at least equal to or greater than the amount spent in the 2006 county fiscal year excluding construction and capital outlay expenses. A confirmation of local funds for the year ending August 31, 2022 is required and presented below:

	<u>Local Funding Expended (Less Construction and Capital Outlay)</u>
FY 2022	\$ 172,215
FY 2006	162,634

The juvenile probation department certified the financial match requirements were fulfilled in fiscal year 2022.

### NOTE 6 - State Financial Assistance

A. The Texas Juvenile Justice Department provided the Department the following funds for the Grant R-Regional Diversion Alternatives (RDA) Program Reimbursement Grant funds. A confirmation of revenue received in the year ending August 31, 2022 is required and presented below.

<u>Contract Number</u>	<u>Amount Received (Cash Basis) August 31, 2022</u>
R-21-174	\$ 47,562
R-22-174	19,559

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2022

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



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

SCHEDULE OF STATUS OF PRIOR FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2022

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

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