

**NACOGDOCHES COUNTY**  
**DISTRICT PROBATION DEPARTMENT**  
**AUGUST 31, 2013**

# NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

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## **Financial Section**



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A.J. Goff, CPA  
Ronnie Herrington, CPA

Certified Public Accountants

## **Independent Auditor's Report**

Nacogdoches County District Probation Department  
Nacogdoches, Texas

We have audited the accompanying combined financial statements - regulatory basis of the Nacogdoches County District Probation Department (Department), and the combining and individual fund statements of the Department as of and for the year ended August 31, 2013 as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. 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

March 14, 2014

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### **Opinion**

In our opinion the combined financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Nacogdoches County District Probation Department as of August 31, 2013, and the results of its operations for the year then ended, in conformity with the basis of accounting described in the Notes. Also in our opinion, the combining and individual funds referred to above present fairly, in all material respects, the financial position of each of the individual funds of the Nacogdoches County District Probation Department as of August 31, 2013, and the results of operations of such funds for the year then ended in conformity with the basis of accounting described in the Notes.

### **Basis of Accounting**

As described in the notes, the financial statements are prepared using the prescribed basis of accounting that demonstrates compliance with the Texas Department of Criminal Justice - Community Justice Assistance Division (TDCJ-CJAD) financial reporting requirements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

### **Emphasis of Matter**

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

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the accompanying financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. The combining statement of revenues, expenditures, and changes in fund balance and the schedules of differences between audit report and CSCD reports are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements, and certain other procedures, including comparing and reconciling such information 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

March 14, 2014

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### **Other Reporting Required by *Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2014 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with laws and regulations. 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* and should be considered in assessing the results of our audit.

### **Restriction of Use**

This report is intended solely for the information and use of management, others within the Nacogdoches County District Probation Department 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

March 14, 2014

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT  
COMBINED STATEMENT OF FINANCIAL POSITION - REGULATORY BASIS  
AUGUST 31, 2013**

<b>ASSETS</b>	<b>Basic Supervision</b>	<b>Community Corrections</b>	<b>Total</b>
<b>Cash</b>			
Cash and bank balances	687,320	8,345	695,665
Total cash	687,320	8,345	695,665
<b>Other Assets</b>			
Receivables	5,395	-	5,395
Prepaid expenses	7,262	-	7,262
Total other assets	12,657	-	12,657
<b>Total assets</b>	<b>699,977</b>	<b>8,345</b>	<b>708,322</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	29,361	5,137	34,498
Accrued liabilities	37,128	3,208	40,336
Total liabilities	66,489	8,345	74,834
<b>Fund Balance</b>	<b>633,488</b>	<b>-</b>	<b>633,488</b>
<b>Total liabilities and fund balance</b>	<b>699,977</b>	<b>8,345</b>	<b>708,322</b>

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, 2013**

	<b>Basic Supervision</b>	<b>Community Corrections</b>	<b>Total</b>
<b>Revenue</b>			
State aid	374,467	97,143	471,610
SAFPF	7,316	-	7,316
Probation fees	674,142	-	674,142
Payments by program participants	107,408	-	107,408
Interest	1,033	-	1,033
Other	1,836	-	1,836
Total revenue	1,166,202	97,143	1,263,345
<b>Expenditures</b>			
Salaries and fringe benefits	923,489	88,198	1,011,687
Travel and furnished transportation	64,150	-	64,150
Contract services for offenders	17,866	10,800	28,666
Professional fees	18,974	728	19,702
Supplies and operating	62,142	1,116	63,258
Utilities	3,862	-	3,862
Equipment	16,312	3,677	19,989
Total expenditures	1,106,795	104,519	1,211,314
Excess revenue over (under)			
expenditures	59,407	(7,376)	52,031
Fund balance, September 1	579,705	3,195	582,900
Interfund transfer in (out)	(5,624)	5,624	-
Fund balance prior to refund to CJAD	633,488	1,443	634,931
Refund due to TDCJ-CJAD	-	(1,443)	(1,443)
Fund balance, August 31	633,488	-	633,488

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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Prior Year Actual</b>
<b>Revenue</b>				
State aid	374,467	374,467	-	375,766
SAFPF	7,316	7,316	-	4,377
Probation fees	640,000	674,142	34,142	699,276
Payments by program participants	101,893	107,408	5,515	100,442
Interest	962	1,033	71	1,091
Other	1,059	1,836	777	4,885
<b>Total revenue</b>	<b>1,125,697</b>	<b>1,166,202</b>	<b>40,505</b>	<b>1,185,837</b>
<b>Expenditures</b>				
Salaries and fringe benefits	1,271,506	923,489	348,017	907,444
Travel and furnished transportation	128,604	64,150	64,454	29,341
Contract services for offenders	22,349	17,866	4,483	15,833
Professional fees	31,859	18,974	12,885	14,826
Supplies and operating	213,871	62,142	151,729	55,822
Facilities	-	-	-	-
Utilities	5,580	3,862	1,718	3,629
Equipment	25,982	16,312	9,670	10,758
<b>Total expenditures</b>	<b>1,699,751</b>	<b>1,106,795</b>	<b>592,956</b>	<b>1,037,653</b>
Excess revenue over (under) expenditures	(574,054)	59,407	633,461	148,184
Fund balance, September 1	579,705	579,705	-	435,697
Interfund transfer in (out)	(5,651)	(5,624)	27	(4,176)
Fund balance prior to refund to CJAD	-	633,488	633,488	579,705
Refund due to TDCJ-CJAD	-	-	-	-
Fund balance, August 31	-	633,488	633,488	579,705

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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Prior Year Actual</b>
<b>Revenue</b>				
State aid	37,732	37,732	-	40,380
Total revenue	37,732	37,732	-	40,380
<b>Expenditures</b>				
Salaries and fringe benefits	37,472	37,340	132	37,412
Travel and furnished transportation	-	-	-	-
Contract services for offenders	-	-	-	-
Professional fees	283	283	-	303
Supplies and operating	1,300	1,116	184	779
Utilities			-	
Equipment	4,323	3,677	646	1,108
Total expenditures	43,378	42,416	962	39,602
Excess revenue over (under) expenditures	(5,646)	(4,684)	962	778
Fund balance, September 1	3,195	3,195	-	-
Interfund transfer in (out)	2,451	2,439	(12)	2,417
Fund balance prior to refund to CJAD	-	950	950	3,195
Refund due to CJAD	-	(950)	(950)	-
Fund balance, August 31	-	-	-	3,195

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**

**SUBSTANCE ABUSE PROGRAM**

**FOR THE YEAR ENDED AUGUST 31, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Prior Year Actual</b>
<b>Revenue</b>				
State aid	-	-	-	29,910
Total revenue	-	-	-	29,910
<b>Expenditures</b>				
Salaries and fringe benefits	-	-	-	29,687
Travel and furnished transportation			-	
Contract services for offenders			-	
Professional fees	-	-	-	223
Supplies and operating			-	
Utilities	-	-	-	-
Equipment	-	-	-	-
Total expenditures	-	-	-	29,910
Excess revenue over (under)				
expenditures	-	-	-	-
Fund balance, September 1	-	-	-	-
Interfund transfer in (out)	-	-	-	-
Fund balance prior to refund to CJAD	-	-	-	-
Refund due to CJAD	-			-
Fund balance, August 31	-	-	-	-

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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Prior Year Actual</b>
<b>Revenue</b>				
State aid	48,530	48,530	-	15,116
Other	-	-	-	-
Total revenue	48,530	48,530	-	15,116
<b>Expenditures</b>				
Salaries and fringe benefits	51,361	50,858	503	16,762
Travel and furnished transportation	-	-	-	-
Contract services for offenders	-	-	-	-
Professional fees	364	364	-	113
Supplies and operating	5	-	5	-
Utilities	-	-	-	-
Equipment	-	-	-	-
Total expenditures	51,730	51,222	508	16,875
Excess revenue over (under) expenditures	(3,200)	(2,692)	508	(1,759)
Fund balance, September 1	-	-	-	-
Interfund transfers in (out)	3,200	3,185	(15)	1,759
Fund balance prior to refund to CJAD	-	493	493	-
Refund due to CJAD	-	(493)	(493)	-
Fund balance, August 31	-	-	-	-

The accompanying notes are an integral part of this financial statement

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

**SEX OFFENDER COUNSELING PROGRAM**

**FOR THE YEAR ENDED AUGUST 31, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Prior Year Actual</b>
<b>Revenue</b>				
State aid	10,881	10,881	-	10,881
Total revenue	10,881	10,881	-	10,881
<b>Expenditures</b>				
Salaries and fringe benefits	-	-	-	-
Travel and furnished transportation	-	-	-	-
Contract services for offenders	10,800	10,800	-	10,800
Professional fees	81	81	-	81
Supplies and operating	-	-	-	-
Utilities	-	-	-	-
Equipment	-	-	-	-
Total expenditures	10,881	10,881	-	10,881
Excess revenue over (under) expenditures	-	-	-	-
Fund balance, September 1	-	-	-	-
Fund balance prior to refund to CJAD	-	-	-	-
Refund due to CJAD	-	-	-	-
Fund balance, August 31	-	-	-	-

The accompanying notes are an integral part of this financial statement

# **NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

## **NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2013**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Reporting Entity**

The accompanying financial statements include only the revenue of the Nacogdoches County District Probation Department (Department) related to the receipt of funds administered by the Community Justice Assistance Division of the Texas Department of Criminal Justice from state appropriations for the Basic Supervision Fund , Community Corrections Program Funds, local fees collected for the use of the Department, and the expenditure of those funds. The Department is a Community Supervision and Corrections Department (CSCD) that provides certain adult probation services to judicial districts.

#### **Basis of Accounting**

The financial statements of the Department have been prepared in conformity with the requirements of TDCJ-CJAD. TDCJ-CJAD requires that all disbursements from the state to the funding recipient be reported as revenues, deobligated funds be reported as decreases to revenues, balances due to the state be reported as reductions in fund balances, and accruals be cut off as of October 31. This differs from generally accepted accounting principles in which revenues are recognized when they become measurable and available as net assets and expenditures are generally recognized when they are incurred.

The Department is accounted for in the governmental fund category as separate special revenue funds. The accounting period used in the preparation of financial statements for all funds of Nacogdoches County is October 1 through September 30. The accounting period used in preparing financial statements required by the TDCJ-CJAD is September 1 through August 31.

#### **Budget**

The budgets governing the funding to the programs are approved by district judges and the criminal court-at-law judge 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 will be reviewed and approved/disapproved by the TDCJ-CJAD. TDCJ-CJAD will not accept budget adjustments after September 30 for the previous fiscal year. Only budget adjustments approved by the TDCJ-CJAD should be referred to in performing the financial audit.

# **NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

## **NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2013**

### **Encumbrance Accounting**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized. All encumbrances not liquidated by October 31, 2013 became part of the subsequent year's budget.

### **Compensated Absences**

The Department does not have any compensated absences accruals at August 31, 2013.

### **FUNDING SOURCES - STATE AID**

The Department receives the following state aid:

#### **Basic Supervision**

This state funding is a per capita allocation based on statistics from the previous full calendar year. The per capita formula includes felony and misdemeanor direct cases as well as pre-trial cases. These funds are received at the beginning of each quarter. Funds are used to provide basic supervision to offenders whose sentences have been suspended and who have been placed under community supervision.

#### **SAFPF**

Substance Abuse Felony Punishment Facility Funding (SAFPF) is for aftercare caseloads and is funded on a per case basis. Funding for SAFPf aftercare caseloads is allocated by TDCJ-CJAD through the Diversion Program line item, but is budgeted and reported under Basic Supervision.

#### **Dedicated Salary Funds**

Dedicated salary funds were appropriated by the 81<sup>st</sup> Legislature specifically for community supervision officers and direct care staff salary increases of 3.5% of salaries as of August 31, 2009 for fiscal year 2010 and another increase of 3.5% for fiscal year 2011. These funds were under the Rider 80 to the TDCJ appropriations. In the fiscal year 2012 and 2013 biennium, appropriations are included in the Diversion Program (DP) grant funds appropriation and accounted for within the Basic Supervision programs, at the same rate as fiscal year 2011.

#### **Community Corrections Program Funds**

The Department receives Community Corrections Program funding based on the percentage of the state's population residing in Nacogdoches County and the percentage of all felony defendants in the state under the direct supervision of the Department. Community Corrections Program Funds were used for Community Service Restitution, Sex Offender Counseling programs and Special Services programs.

# NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

## NOTES TO FINANCIAL STATEMENTS

**AUGUST 31, 2013**

### FUNDS COLLECTED FROM SOURCES OTHER THAN TDCJ-CJAD

The following schedule details the funds collected by the Nacogdoches County District Probation Department which are required to be reported on the quarterly financial reports. The following funds are recorded in the Supervision fund and are subject to the expenditure restrictions applicable to TDCJ-CJAD funds. These expenditures are in accordance with the restrictions:

Source of Funds	Amount
Probation fees	<u>674,142</u>
Payments by program participants	<u>107,408</u>
Interest income	<u>1,033</u>
Other Income:	
Angelina County TAIP reimbursement for drug assessments	1,395
Collection fee on HHSC restitution	384
Other	<u>57</u>
Total Other Income	<u>1,836</u>

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

Copier costs	1,640
Furniture and equipment	<u>870</u>
Total	<u>2,510</u>

The following schedule details the funds collected by the Nacogdoches County District Probation Department which are not required to be reported on the quarterly financial reports.

Source of Funds	Amount Received	Restrictions for Use	Expended in Accordance with Restrictions	Fund Balance
Victim Restitution	113,614	Paid directly to victim, Government Code 76.013	Yes	100
Civil Fees	<u>-</u>	Financial Management Manual	N/A	<u>-</u>
	<u>113,614</u>			<u>100</u>



# **NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

## **NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2013**

### **CASH, PETTY CASH AND INVESTMENTS**

The collection account and TDCJ-CJAD special revenue funds are covered by pledged collateral sufficient to cover the highest daily balance of funds operated through the county depository. Receipts are deposited to the collection account and TDCJ-CJAD special revenue funds daily and all CSCD district funds are in county treasury and disbursed by the County Treasurer.

The Department does not have any petty cash.

Idle funds are invested in interest bearing accounts.

### **EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL PROGRAMS**

There were no excess of expenditures over budgets in individual programs.

### **INTERFUND TRANSFERS RECEIVABLE AND PAYABLE**

Interfund transfers for the year ended August 31, 2013 consisted of the following amounts:

Transfers from the Basic Supervision Program	
To the Community Service Restitution Program	2,439
To the Special Services Program	3,185
	<u>5,624</u>

There were no interfund receivables or payables at August 31, 2013.

### **VENDOR CONTRACTS FOR OFFENDER SERVICES**

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

### **COMMITMENTS AND CONTINGENCIES**

There are no commitments or contingencies to report for the year ended August 31, 2013.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2013**

**PRIOR PERIOD ADJUSTMENTS AND REFUNDS**

There were no prior period adjustments recorded during the fiscal year ended August 31, 2013.

During the year ended August 31, 2013, there were refunds to the TDCJ in the amount of \$493.21 and \$950.05 from Special Services Program and Community Service Restitution Program, respectively.

**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 March 14, 2014, which is the date that these financial statements were available to be issued.

## **Supplemental Schedules**

**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, 2013**

	<b>Community Service Restitution</b>	<b>Substance Abuse Caseload</b>	<b>Special Services</b>	<b>Sex Offender Counseling</b>	<b>Total</b>
<b>Revenue</b>					
State aid	37,732	-	48,530	10,881	97,143
Other	-	-	-	-	-
Total revenue	37,732	-	48,530	10,881	97,143
<b>Expenditures</b>					
Salaries and fringe benefits	37,340	-	50,858	-	88,198
Travel and furnished transp.	-	-	-	-	-
Contract services for offenders	-	-	-	10,800	10,800
Professional fees	283	-	364	81	728
Supplies and operating	1,116	-	-	-	1,116
Utilities	-	-	-	-	-
Equipment	3,677	-	-	-	3,677
Total expenditures	42,416	-	51,222	10,881	104,519
Excess revenue over (under) expenditures	(4,684)	-	(2,692)	-	(7,376)
Fund balance, September 1	3,195	-	-	-	3,195
Interfund transfer in (out)	2,439	-	3,185	-	5,624
Fund balance prior to refund	950	-	493	-	1,443
Refund due to CJAD	(950)	-	(493)	-	(1,443)
Fund balance, August 31	-	-	-	-	-

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**

**BASIC SUPERVISION PROGRAM**

**FOR THE YEAR ENDED AUGUST 31, 2013**

	<b>Audit</b>	<b>CSCD Report</b>	<b>Difference</b>
<b>Revenue</b>			
State aid	374,467	374,467	-
SAFPF	7,316	7,316	
Probation fees	674,142	674,142	-
Payments by program participants	107,408	107,408	
Interest	1,033	1,033	-
Other	1,836	1,836	-
Total revenue	1,166,202	1,166,202	-
<b>Expenditures</b>			
Salaries and fringe benefits	923,489	923,489	-
Travel and furnished transportation	64,150	64,150	-
Contract services for offenders	17,866	17,866	-
Professional fees	18,974	18,974	-
Supplies and operating	62,142	62,142	-
Facilities	-	-	-
Utilities	3,862	3,862	-
Equipment	16,312	16,312	-
Total expenditures	1,106,795	1,106,795	-
Excess revenue over (under)			
expenditures	59,407	59,407	-
Fund balance, September 1	579,705	579,705	-
Interfund transfer in (out)	(5,624)	(5,624)	-
Fund balance prior to refund to CJAD	633,488	633,488	-
Refund due to TDCJ-CJAD	-	-	-
Fund balance, August 31	633,488	633,488	-

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, 2013**

	<b>Audit</b>	<b>CSCD Report</b>	<b>Difference</b>
<b>Revenue</b>			
State aid	37,732	37,732	-
Total revenue	37,732	37,732	-
<b>Expenditures</b>			
Salaries and fringe benefits	37,340	37,340	-
Travel and furnished transportation	-	-	-
Contract services for offenders	-	-	-
Professional fees	283	283	-
Supplies and operating	1,116	1,116	-
Utilities	-	-	-
Equipment	3,677	3,677	-
Total expenditures	42,416	42,416	-
Excess revenue over (under)			
expenditures	(4,684)	(4,684)	-
Fund balance, September 1	3,195	3,195	-
Interfund transfers in (out)	2,439	2,439	-
Fund balance prior to refund to CJAD	950	950	-
Refund due to CJAD	(950)	(950)	-
Fund balance, August 31	-	-	-

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**

**SUBSTANCE ABUSE PROGRAM**

**FOR THE YEAR ENDED AUGUST 31, 2013**

	<b>Audit</b>	<b>CSCD Report</b>	<b>Difference</b>
<b>Revenue</b>			
State aid	-	-	-
Total revenue	-	-	-
<b>Expenditures</b>			
Salaries and fringe benefits	-	-	-
Travel and furnished transportation	-	-	-
Contract services for offenders	-	-	-
Professional fees	-	-	-
Supplies and operating	-	-	-
Utilities	-	-	-
Equipment	-	-	-
Total expenditures	-	-	-
Excess revenue over (under)			
expenditures	-	-	-
Fund balance, September 1	-	-	-
Interfund transfer in (out)	-	-	-
Fund balance prior to refund to CJAD	-	-	-
Refund due to CJAD	-	-	-
Fund balance, August 31	-	-	-

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, 2013**

	<b>Audit</b>	<b>CSCD Report</b>	<b>Difference</b>
<b>Revenue</b>			
State aid	48,530	48,530	-
Total revenue	48,530	48,530	-
<b>Expenditures</b>			
Salaries and fringe benefits	50,858	50,858	-
Travel and furnished transportation	-	-	-
Contract services for offenders	-	-	-
Professional fees	364	364	-
Supplies and operating	-	-	-
Utilities	-	-	-
Equipment	-	-	-
Total expenditures	51,222	51,222	-
Excess revenue over (under)			
expenditures	(2,692)	(2,692)	-
Fund balance, September 1	-	-	-
Interfund transfers in (out)	3,185	3,185	-
Fund balance prior to refund to CJAD	493	493	-
Refund due to CJAD	(493)	(493)	-
-	-	-	-

The accompanying notes are an integral part of this financial statement



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

**SEX OFFENDER COUNSELING PROGRAM**

**FOR THE YEAR ENDED AUGUST 31, 2013**

	<b>Audit</b>	<b>CSCD Report</b>	<b>Difference</b>
<b>Revenue</b>			
State aid	10,881	10,881	-
Total revenue	10,881	10,881	-
<b>Expenditures</b>			
Salaries and fringe benefits	-	-	-
Travel and furnished transportation	-	-	-
Contract services for offenders	10,800	10,800	-
Professional fees	81	81	-
Supplies and operating	-	-	-
Utilities	-	-	-
Equipment	-	-	-
Total expenditures	10,881	10,881	-
Excess revenue over (under)			
expenditures	-	-	-
Fund balance, September 1	-	-	-
Fund balance prior to refund to CJAD	-	-	-
Refund due to CJAD	-	-	-
-	-	-	-

The accompanying notes are an integral part of this financial statement

## **Compliance Section**



Goff & Herrington, P.C.

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A.J. Goff, CPA

Ronnie Herrington, CPA

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Nacogdoches County 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 the governmental activities, each major fund, and the aggregate remaining fund information of Nacogdoches County District Probation Department (Department), as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated March 14, 2014.

**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

March 14, 2014

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 provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, others within the Nacogdoches County District Probation Department 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

March 14, 2014

# NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

## TDCJ-CJAD COMPLIANCE CHECKLIST

AUGUST 31, 2013

The following items represent requirements applicable to accounting for funds received from the Texas Department of Criminal Justice Community Justice Assistance Division (CJAD), with a Yes response indicating assurance regarding compliance and a No response indicating non-compliance. An N/A response means the item is not applicable.

COMPLIANCE ITEM	YES, NO, OR N/A
Is separate accountability maintained for TDCJ-CJAD funds; i.e., fund accounting?	<u>Yes</u>
Are revenues and expenditures reported to TDCJ-CJAD in agreement with, or reconcilable to, the funding recipient's accounting records and with audited expenditures in each budget category?	<u>Yes</u>
Are TDCJ-CJAD funds and locally generated revenues expended in accordance with <u>The Financial Management Manual for TDCJ-CJAD Funding</u> , TDCJ-CJAD Funding and Fiscal Management Updates, TDCJ-CJAD Standards, TDCJ-CJAD Field Correspondence, TDCJ-CJAD Policy Statements, Standard and Special Grant Conditions, and applicable laws?	<u>Yes</u>
Are proper cut-off procedures observed at the end of each fiscal period? The cut-off date for revenue recognition and expenditure payments of FY 2013 is October 31, 2013.	<u>Yes</u>
Is the modified accrual basis of accounting used in preparing fourth quarter reports for submission to TDCJ-CJAD?	<u>Yes</u>
Are TDCJ-CJAD funds not used to pay judges' salaries (unless specifically approved by TDCJ-CJAD in a Program Budget; i.e. DWI Courts), community justice council members' salaries, or other court related expenses?	<u>Yes</u>
Are Expenditures and revenues supported by adequate documentation?	<u>Yes</u>
Are all employees with access to funds covered by a surety bond?	<u>Yes</u>
Do purchases adhere to the requirements of <u>Vernon's Texas Codes Annotated Local Government Code</u> , Section 262.023 regarding competitive bids?	<u>Yes</u>
Does the CSCD have an existing policy on budget approval, operate by the policy, and the policy has been approved in an open meeting by the judges charged with oversight of the CSCD (Government Code, Section 76.002, and TDCJ-CJAD's Financial Management Manual)?	<u>Yes</u>

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

**TDCJ-CJAD COMPLIANCE CHECKLIST**

**AUGUST 31, 2013**

<b>COMPLIANCE ITEM</b>	<b>YES, NO, OR N/A</b>
Are all of the CSCD's funds and collections deposited in the county treasury within the time period required by Local Government Code 113.022 and disbursed by the county treasurer on behalf of the CSCD?	<u>Yes</u>
Did the Fiscal Officer follow the applicable laws, guidelines, and duties as specified on Pages 31-35 of the Financial Management Manual for TDCJ-CJAD Funding?	<u>Yes</u>
Were purchasing laws followed as directed in accordance with the same procedures applicable to a county?	<u>Yes</u>
Were any instances of fraud, non-compliance, waste, or abuse noted by the auditor (Chapter 4, Item 4.25, Government Auditing Standards)?	<u>No</u>
Are locally generated funds, and other collections, documented with a proper receipt system, and can they be traced to bank deposits and statements?	<u>Yes</u>
Is equipment physically inventoried and adequately supported with an inventory form?	<u>Yes</u>
Was an explanation given in the Notes to the financial statements for changes made to Revenues and Expenditures reported to TDCJ-CJAD?	<u>N/A</u>
Are expenditures that benefit both juveniles and adults prorated on an equitable basis? Is the determination of the method of prorating such expenditures must be supported by adequate documentation?	<u>N/A</u>
If the CSCD determines that an increase or decrease in revenue or expenditures is required, were budget adjustments submitted to TDCJ-CJAD by September 30, 2013, and in accordance with the Financial Management Manual for TDCJ-CJAD Funding?	<u>Yes</u>
Are idle funds, if any, invested?	<u>Yes</u>
Are all non-CJAD funded program fees expended in accordance with applicable limitations?	<u>Yes</u>
Is surplus equipment disposed of in accordance with TDCJ-CJAD guidelines?	<u>Yes</u>

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

**TDCJ-CJAD COMPLIANCE CHECKLIST**

**AUGUST 31, 2013**

<b>COMPLIANCE ITEM</b>	<b>YES, NO, OR N/A</b>
Are victim Restitution funds accounted for in accordance with <u>Vernon's Texas Codes Annotated Government Code</u> Section 76.013, and unclaimed funds tracked for the required five-year period prior to sending to the State Comptroller?	<u>Yes</u>
Have TDCJ-CJAD policies regarding contracts with vendors been followed, which includes maintaining a Contract Monitoring Plan (policy) to monitor vendor payments and compliance with contracts?	<u>Yes</u>
Does the CSCD have a policy regarding eligibility for employee merit increases?	<u>Yes</u>
If the CSCD allows offenders to pay a fee to a local food bank in lieu of performing community service restitution (CSR) work hours, does the CSCD have a written CSR Policy stating this fact?	<u>N/A</u>
Are petty cash funds authorized by the county auditor or fiscal officer?	<u>N/A</u>
Are petty cash funds used only for specific purposes for allowable items as listed in the <i>Financial Management Manual for TDCJ-CJAD Funding</i> and expended only for emergency situations authorized by a written policy and approved by the CSCD director?	<u>N/A</u>
Are items that can reasonable be secured through the purchasing system not purchased from petty cash?	<u>N/A</u>
Are Personal Bond, Surety Bond, Bail and Certain Other Supervision expenses relating to CSCD employees supervising these cases paid from the administrative fees set in Article 76.015(c) of the Government Code, as amended; i.e., salaries, fringe benefits, travel, supplies, equipment, etc., paid from these fees? Are these expenses not being paid from state funds, including local fee collections, which are in the TDCJ-CJAD budgets? If a CSCD employee (or more than one employee whose cumulative time is not over 10% of one full-time equivalent position) spends no more than 10% of his/her time on the Bond/Other Supervision Program activities, separation of expenses is considered immaterial and is not required. However, all revenue generated from bond supervision fees must be accounted for separately in a local budget. Is this being properly captured?	<u>N/A</u>

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

**TDCJ-CJAD COMPLIANCE CHECKLIST**

**AUGUST 31, 2013**

<b>COMPLIANCE ITEM</b>	<b>YES, NO, OR N/A</b>
With prior TDCJ-CJAD approval, CSCDs may use Basic Supervision, CC, DP, or TAIP funds as required cash matching for grants from other governmental agencies, non-profit organizations, or private foundations, etc., for the purpose of expanding an existing program. Was cash matching properly authorized, budgeted, and expended?	N/A
The Texas Code of Criminal Procedure, Article 42.12, Section 19 (e) requires as a condition of probation that certain sex offenders pay \$5.00 per month per convicted offense during the period of supervision. These fees are in addition to court costs or any other fee imposed on the offender as court ordered. Are these fees collected and accounted for by the CSCD and remitted to the State Comptroller?	Yes
Article 42.12, Section 11 (a) (18), Code of Criminal Procedure authorizes the court to order a defendant, as a condition of community supervision, to reimburse the Crime Victims' Compensation Fund for any amounts paid from that fund to a victim of the defendant's offense or, if no reimbursement is required, make one payment to the fund in an amount not to exceed \$50 if the offense is a misdemeanor or not to exceed \$100 if the offense is a felony. If these fees were collected, were they remitted to the State Comptroller in compliance with the time lines outlined by the State Comptroller's Office?	Yes
Were pretrial intervention fees properly collected and accounted for?	Yes
Is there proper identification on motor vehicles that are issued exempt license plates?	Yes
Is the transactions' administrative fee, if collected, accounted for on a consistent basis?	Yes
If there were negative fund balances in programs at fiscal year end, were they covered by interfund transfers as described in the Financial Management Manual?	N/A
Do action plans exist for all significant findings from previous audits, and are action plans current?	N/A



**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

None

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

**SCHEDULE OF STATUS OF PRIOR FINDINGS**

**FOR THE YEAR ENDED AUGUST 31, 2013**

N/A

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

**CORRECTIVE ACTION PLAN**

**FOR THE YEAR ENDED AUGUST 31, 2013**

N/A