

**TEXAS JUVENILE JUSTICE DEPARTMENT  
GRANT FUNDS OF  
NACOGDOCHES COUNTY, TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2013**

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

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## **Financial Section**



## **Independent Auditor's Report**

Nacogdoches County Juvenile Probation Board  
Nacogdoches, Texas

We have audited the accompanying financial statements of the Texas Juvenile Justice Department Grant Funds of Nacogdoches County Juvenile Probation Department (Department), which comprise the statement of revenues, expenditures, and changes in fund balance- budget and actual- regulatory basis for the year ended August 31, 2013 and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

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

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### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the revenue earned and the expenditures incurred compared to budgeted revenues and expenditures of the Department's Texas Juvenile Justice Department Grant Funds for the year ended August 31, 2013, in accordance with the financial reporting provisions of the Texas Juvenile Justice Department as described in Note 1.

### **Basis of Accounting**

As described in Note 1 of the financial statements, the financial statements are prepared on the basis of the financial reporting conditions of the Texas Juvenile Justice Department, which is a basis of accounting other than the accounting principles generally accepted in the United States of America, to comply with the requirements of the Texas Juvenile Justice Department. Our opinion is not modified with respect to that matter.

### **Emphasis of Matter**

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 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* in considering Nacogdoches County's internal control over financial reporting and compliance.

### **Restriction of Use**

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

*Goff & Herrington, P.C.*

GOFF & HERRINGTON, P.C.

Certified Public Accountants

February 13, 2014

## **Financial Statements**

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

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

**STATE AID - TJJD-A-2013-174**

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

	<b>Budget</b>	<b>Prior Year Activity</b>	<b>Current Year Activity</b>	<b>To Date Activity</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenue</b>					
TJJD	414,235	-	392,349	392,349	(21,886)
Total revenue	414,235	-	392,349	392,349	(21,886)
<b>Expenditures</b>					
Salaries and fringe benefits	261,975	-	261,863	261,863	112
Travel	8,021	-	7,342	7,342	679
Operating expenses	16,635	-	16,277	16,277	358
Nonresidential services	31,850	-	11,113	11,113	20,737
Residential	95,754	-	95,754	95,754	-
Total expenditures	414,235	-	392,349	392,349	21,886
Excess revenue over (under) expenditures	-	-	-	-	-
Fund balance, beginning	-	-	-	-	-
Fund balance, ending	-	-	-	-	-

**Additional information**

Refunds paid to TJJD subsequent to 8/31/13:

October 8, 2013	1,886
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The accompanying notes are an integral part of this financial statement

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

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

**COMMITMENT REDUCTION - TJJJ-C-2013-174**

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

	<b>Budget</b>	<b>Current Year Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenue</b>			
TJJJ	81,961	81,961	-
Total revenue	81,961	81,961	-
<b>Expenditures</b>			
Salaries and fringe benefits	-	-	-
Travel	-	-	-
Operating expenses	-	-	-
Nonresidential services	-	-	-
Residential	81,961	81,961	-
Total expenditures	81,961	81,961	-
Excess revenue over (under) expenditures	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	-	-	-

The accompanying notes are an integral part of this financial statement



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

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Entity**

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

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

**Basis of Accounting**

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2013**

**NOTE 2: RECONCILIATION OF ACCRUED INTEREST**

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

	<b>TJJD</b>	<b>Title IV-E</b>	<b>Total</b>
Beginning balance	373	32,098	32,471
Interest accrued	369	1,656	2,025
Minus expenditures	-	-	-
Ending balance	742	33,754	34,496

**NOTE 3: OPERATING COST FOR A SECURE JUVENILE FACILITY**

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

**NOTE 4: FEDERAL FINANCIAL ASSISTANCE**

TJJD administers, along with the Texas Department of Family and Protective Services, the Title IV-E Program (CFDA 93.658). TJJD disburses funds to Nacogdoches County Juvenile Probation on a cost reimbursement basis. The Nacogdoches County Juvenile Probation Department did not receive any Title IV-E Program funds in 2013.

**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 spend in the 2006 county fiscal year excluding construction and capital outlay expenses. A confirmation of local funds for the year ending August 31, 2013 is required and presented below:

	<b>Local Funding Expended (less construction and capital outlay)</b>
FY 2013	183,872
FY 2006	162,634

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

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2013**

**NOTE 6: STATE FINANCIAL ASSISTANCE**

The Texas Juvenile Justice Department provided approval for the County for the following Funds: Grant A, State Aid, that can be used over a two year period. The following indicates the amount available to be carried forward to the subsequent year and amounts that were expended from prior year contracts.

<u>Contract Number</u>	<u>Amount Carried Forward to Fiscal Year August 31, 2014</u>	<u>Amount Brought Forward from Fiscal Year August 31, 2012</u>
TJJD A-2013-174	20,000	-

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## **Compliance Section**



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

Nacogdoches County Juvenile Probation Department  
Nacogdoches, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Texas Juvenile Justice Departments Grant Funds of Nacogdoches County Juvenile Probation Department (Department), and have issued our report thereon dated February 13, 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 Juvenile Probation Department  
February 13, 2014  
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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**Purpose of this Report**

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

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

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

February 13, 2014

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

**SCHEDULE OF FINDINGS**

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

None



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

**SCHEDULE OF STATUS OF PRIOR FINDINGS**

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

N/A

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

**CORRECTIVE ACTION PLAN**

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

N/A

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