

**NACOGDOCHES COUNTY  
DISTRICT PROBATION DEPARTMENT**  
Nacogdoches, Texas

ANNUAL FINANCIAL REPORT

For The Year Ended  
August 31, 2023



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**NACOGDOCHES COUNTY**  
**DISTRICT PROBATION DEPARTMENT**  
Nacogdoches, Texas

*Annual Financial Report*  
*For The Year Ended August 31, 2023*

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## **FINANCIAL SECTION**

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## Independent Auditor's Report

Nacogdoches County District Probation Department  
Nacogdoches, Texas

### **Opinion**

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, 2023, and the related statements of activities for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined statement of financial position of the Nacogdoches County District Probation Department, as of August 31, 2023, and the related statements of activities for the year then ended, in accordance with the financial reporting provisions of TDCJ-CJAD 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 Nacogdoches County District Probation 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 Nacogdoches County District Probation Department, in accordance with the financial reporting provisions of TDCJ-CJAD, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of TDCJ-CJAD. 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 TDCJ-CJAD, 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 Nacogdoches County District Probation 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 Nacogdoches County District Probation 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.



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2024 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, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Nacogdoches County District Probation Department's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Nacogdoches County District Probation Department's internal control over financial reporting and compliance.

**Restriction on Use**

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

***KM&L, LLC***

Lake Jackson, Texas  
February 21, 2024

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## **FINANCIAL STATEMENTS**

# NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

## Combined Statement of Financial Position

August 31, 2023

	<u>Basic Supervision</u>	<u>Community Corrections</u>	<u>Diversion Programs</u>	<u>Total</u>
Assets:				
Cash and Investments:				
Bank balances	\$ <u>579,856</u>	\$ <u>17,721</u>	\$ <u>32,553</u>	\$ <u>630,130</u>
Total cash and investments	<u>579,856</u>	<u>17,721</u>	<u>32,553</u>	<u>630,130</u>
Accounts Receivable:				
Community supervision fees	<u>2,631</u>	<u>-</u>	<u>-</u>	<u>2,631</u>
Total accounts receivable	<u>2,631</u>	<u>-</u>	<u>-</u>	<u>2,631</u>
Other Assets:				
Prepays	<u>5,118</u>	<u>-</u>	<u>-</u>	<u>5,118</u>
Total other assets	<u>5,118</u>	<u>-</u>	<u>-</u>	<u>5,118</u>
Total assets	<u>\$ 587,605</u>	<u>\$ 17,721</u>	<u>\$ 32,553</u>	<u>\$ 637,879</u>
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable and accrued expenses	\$ 15,260	\$ 684	\$ 8,400	\$ 24,344
Salaries payable	25,473	1,950	5,103	32,526
Due to TDCJ-CJAD	-	15,087	19,050	34,137
Unearned revenue	<u>11,850</u>	<u>-</u>	<u>-</u>	<u>11,850</u>
Total liabilities	<u>52,583</u>	<u>17,721</u>	<u>32,553</u>	<u>102,857</u>
Fund balance	<u>535,022</u>	<u>-</u>	<u>-</u>	<u>535,022</u>
Total liabilities and fund balance	<u>\$ 587,605</u>	<u>\$ 17,721</u>	<u>\$ 32,553</u>	<u>\$ 637,879</u>

The accompanying notes are an integral part of these financial statements.

## NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT

*Combined Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended August 31, 2023*

	Basic Supervision	Community Corrections	Diversion Programs	Total
Revenue:				
State aid	\$ 166,614	\$ 112,074	\$ 184,787	\$ 463,475
Total state aid not including SAFPF	166,614	112,074	184,787	463,475
State aid: SAFPF	1,915	-	-	1,915
Community supervision fees	622,249	-	-	622,249
Payments by program participants	107,022	-	-	107,022
Interest income	17,029	-	-	17,029
Other revenue	3,070	-	-	3,070
Total revenue	917,899	112,074	184,787	1,214,760
Expenditures:				
Salaries and fringe benefits	946,022	96,892	142,692	1,185,606
Travel and furnished transportation	46,635	568	-	47,203
Contract services for offenders	310	1,696	22,270	24,276
Professional fees	7,922	841	1,386	10,149
Supplies and operating expenses	37,776	107	1,819	39,702
Utilities	3,360	-	-	3,360
Equipment	31,545	210	-	31,755
Total expenditures	1,073,570	100,314	168,167	1,342,051
Excess of revenue over (under) expenditures	( 155,671)	11,760	16,620	( 127,291)
Other Financing Sources (Uses):				
Basic supervision interfund transfer (+ or -)	( 1,876)	1,876	-	-
Total other financing sources (uses)	( 1,876)	1,876	-	-
Prior year ending fund balance	692,569	1,451	2,430	696,450
Refund due to TDCJ-CJAD	-	( 15,087)	( 19,050)	( 34,137)
Audited year ending fund balance	\$ 535,022	\$ -	\$ -	\$ 535,022

The accompanying notes are an integral part of these financial statements.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -  
All Community Corrections Funds  
For the Year Ended August 31, 2023*

	Community Service Restitution	Special Services	Total
Revenue:			
State aid	\$ 57,003	\$ 55,071	\$ 112,074
Total revenue	<u>57,003</u>	<u>55,071</u>	<u>112,074</u>
Expenditures:			
Salaries and fringe benefits	40,358	56,534	96,892
Travel and furnished transportation	568	-	568
Contract services for offenders	1,696	-	1,696
Professional fees	428	413	841
Supplies and operating expenses	107	-	107
Equipment	<u>210</u>	<u>-</u>	<u>210</u>
Total expenditures	<u>43,367</u>	<u>56,947</u>	<u>100,314</u>
Excess of revenue over (under) expenditures	<u>13,636</u>	<u>( 1,876)</u>	<u>11,760</u>
Other Financing Sources:			
Basic supervision interfund transfer (+ or -)	<u>-</u>	<u>1,876</u>	<u>1,876</u>
Total other financing sources	<u>-</u>	<u>1,876</u>	<u>1,876</u>
Prior year ending fund balance	1,451	-	1,451
Refund due to TDCJ-CJAD	<u>( 15,087)</u>	<u>-</u>	<u>( 15,087)</u>
Audited year ending fund balance - actuals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -  
All Diversion Funds  
For the Year Ended August 31, 2023*

	<u>Sex Offender Caseload Program</u>	<u>Mentally Impaired Caseload</u>	<u>Pre-Trial Diversion Programs</u>	<u>Total</u>
Revenue:				
State aid	\$ <u>87,333</u>	\$ <u>55,000</u>	\$ <u>42,454</u>	\$ <u>184,787</u>
Total revenue	<u>87,333</u>	<u>55,000</u>	<u>42,454</u>	<u>184,787</u>
Expenditures:				
Salaries and fringe benefits	61,904	45,709	35,079	142,692
Contract services for offenders	22,270	-	-	22,270
Professional fees	655	413	318	1,386
Supplies and operating expenses	<u>1,819</u>	<u>-</u>	<u>-</u>	<u>1,819</u>
Total expenditures	<u>86,648</u>	<u>46,122</u>	<u>35,397</u>	<u>168,167</u>
Excess of revenue over expenditures	<u>685</u>	<u>8,878</u>	<u>7,057</u>	<u>16,620</u>
Prior year ending fund balance	-	2,430	-	2,430
Refund due to TDCJ-CJAD	( <u>685</u> )	( <u>11,308</u> )	( <u>7,057</u> )	( <u>19,050</u> )
Audited year ending fund balance - actuals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*Individual Statement of Revenues, Expenditures, and Changes in Fund Balance*

*Budget, Actual, and Variance - Basic Supervision*

*For the Year Ended August 31, 2023*

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:			
Requested TDCJ-CJAD Funding (State Aid)	\$ 166,614	\$ 166,614	\$ -
State aid: SAFPF	5,000	1,915	( 3,085)
Community supervision fees collected	500,000	622,249	122,249
Payment by program participants	80,000	107,022	27,022
Interest income	1,000	17,029	16,029
Carryover from previous FY	692,569	692,569	-
Other revenue	5,000	3,070	( 1,930)
Basic supervision interfund transfer (+ or -)	<u>( 1,900)</u>	<u>( 1,876)</u>	<u>24</u>
 Total revenue	 <u>1,448,283</u>	 <u>1,608,592</u>	 <u>160,309</u>
Expenditures:			
Salaries and fringe benefits	1,004,368	946,022	58,346
Travel and furnished transportation	66,800	46,635	20,165
Contract services for offenders	2,000	310	1,690
Professional fees	42,570	7,922	34,648
Supplies and operating expenses	296,492	37,776	258,716
Utilities	3,600	3,360	240
Equipment	<u>32,453</u>	<u>31,545</u>	<u>908</u>
 Total expenditures	 <u>1,448,283</u>	 <u>1,073,570</u>	 <u>374,713</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>535,022</u>	<u>\$ 535,022</u>
Audited year ending fund balance - actuals		<u>\$ 535,022</u>	

The accompanying notes are an integral part of these financial statements.



**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**  
*Individual Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget, Actual, and Variance - Community Corrections - Community Service Restitution*  
*For the Year Ended August 31, 2023*

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:			
Requested TDCJ-CJAD Funding (State Aid)	\$ 57,003	\$ 57,003	\$ -
Carry Over from Previous FY	<u>1,451</u>	<u>1,451</u>	<u>-</u>
Total revenue	<u>58,454</u>	<u>58,454</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	51,828	40,358	11,470
Travel and furnished transportation	1,367	568	799
Contract services for offenders	2,100	1,696	404
Professional fees	428	428	-
Supplies and operating expenses	1,356	107	1,249
Equipment	<u>1,375</u>	<u>210</u>	<u>1,165</u>
Total expenditures	<u>58,454</u>	<u>43,367</u>	<u>15,087</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>15,087</u>	<u>\$ 15,087</u>
Refund to CJAD (CC, CP, TAIP only)		<u>( 15,087)</u>	
Total Refunds - Actuals		<u>( 15,087)</u>	
Audited year ending fund balance - actuals		<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*Individual Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget, Actual, and Variance - Community Corrections - Special Services  
For the Year Ended August 31, 2023*

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:			
Requested TDCJ-CJAD Funding (State Aid)	\$ 55,071	\$ 55,071	\$ -
Basic supervision interfund transfer (+ or -)	<u>1,900</u>	<u>1,876</u>	<u>( 24 )</u>
Total revenue	<u>56,971</u>	<u>56,947</u>	<u>( 24 )</u>
Expenditures:			
Salaries and fringe benefits	56,558	56,534	24
Professional fees	<u>413</u>	<u>413</u>	<u>-</u>
Total expenditures	<u>56,971</u>	<u>56,947</u>	<u>24</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Audited year ending fund balance - actuals		<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*Individual Statement of Revenues, Expenditures, and Changes in Fund Balance*

*Budget, Actual, and Variance - Diversion Grant Program - Sex Offender Caseload Program*

*For the Year Ended August 31, 2023*

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:			
Requested TDCJ-CJAD Funding (State Aid)	\$ <u>87,333</u>	\$ <u>87,333</u>	\$ <u>-</u>
Total revenue	<u>87,333</u>	<u>87,333</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	62,187	61,904	283
Contract services for offenders	22,688	22,270	418
Professional fees	600	655	( 55 )
Supplies and operating expenses	<u>1,858</u>	<u>1,819</u>	<u>39</u>
Total expenditures	<u>87,333</u>	<u>86,648</u>	<u>685</u>
Excess of revenues over expenditures	\$ <u>-</u>	<u>685</u>	\$ <u>685</u>
Refund to CJAD (CC, CP, TAIP only)		<u>( 685 )</u>	
Total Refunds - Actuals		<u>( 685 )</u>	
Audited year ending fund balance - actuals		<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**  
*Individual Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget, Actual, and Variance - Diversion Grant Program - Mentally Impaired Caseload*  
*For the Year Ended August 31, 2023*

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:			
Requested TDCJ-CJAD Funding (State Aid)	\$ 55,000	\$ 55,000	\$ -
Carry Over from Previous FY	<u>-</u>	<u>2,430</u>	<u>2,430</u>
Total revenue	<u>55,000</u>	<u>57,430</u>	<u>2,430</u>
Expenditures:			
Salaries and fringe benefits	45,790	45,709	81
Professional fees	413	413	-
Supplies and operating expenses	<u>8,797</u>	<u>-</u>	<u>8,797</u>
Total expenditures	<u>55,000</u>	<u>46,122</u>	<u>8,878</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>11,308</u>	<u>\$ 11,308</u>
Refund to CJAD (CC, CP, TAIP only)		<u>( 11,308)</u>	
Total Refunds - Actuals		<u>( 11,308)</u>	
Audited year ending fund balance - actuals		<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**  
*Individual Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget, Actual, and Variance - Diversion Grant Program - Pre-Trial Diversion Program*  
*For the Year Ended August 31, 2023*

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:			
Requested TDCJ-CJAD Funding (State Aid)	\$ <u>42,454</u>	\$ <u>42,454</u>	\$ <u>-</u>
Total revenue	<u>42,454</u>	<u>42,454</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	42,176	35,079	7,097
Professional fees	<u>278</u>	<u>318</u>	( <u>40</u> )
Total expenditures	<u>42,454</u>	<u>35,397</u>	<u>7,057</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	<u>7,057</u>	\$ <u><u>7,057</u></u>
Refund to CJAD (CC, CP, TAIP only)		( <u>7,057</u> )	
Total Refunds - Actuals		( <u>7,057</u> )	
Audited year ending fund balance - actuals		\$ <u><u>-</u></u>	

The accompanying notes are an integral part of these financial statements.

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# **NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*Notes to the Financial Statements*

*For the Year Ended August 31, 2023*

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Reporting Entity**

The accompanying financial statements include the revenue of the Nacogdoches County District Probation Department (the "Department") related to the receipt of funds administered by the TDCJ-CJAD from state appropriations for the Basic Supervision Fund, Community Corrections Funds, Diversion Program Grant Funds, local fees collected for the use of the Department, and the expenditure of those funds.

The Nacogdoches County District Probation Department, a special purpose district of state government, was organized to provide certain adult probation services to judicial districts.

### **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 Nacogdoches County District Probation Department are organized based on 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 upon the source of the funds and the purposes for which they may be spent and the means by which the spending activities are controlled for the specific activities in accordance with laws, regulations, or other restrictions. Revenues and expenditures are accounted for using either the cash basis of accounting or the modified accrual basis of accounting until the last quarter when the modified accrual basis of accounting must be used.

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 within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues received by October 31 for financial activity performed by August 31, are considered available. Also, purchases for which the commitment has been established by August 31 are considered liabilities regardless of whether possession of these goods has been received by August 31, provided that the liability purchased is received and is paid by October 31. Exception to this method of accounting is the recording of refunds to the State as reductions of Fund Balance.

Funds of the 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 the Financial Statements*

*For the Year Ended August 31, 2023*

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

### **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 TDCJ-CJAD.

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

## **NOTE 2. PRIOR PERIOD ADJUSTMENTS**

There were no prior period adjustments in the fiscal year ending August 31, 2023.

## **NOTE 3. REFUNDS**

At August 31, 2023, \$ 15,087, and \$ 19,050 were biennium refunds due to TDCJ-CJAD for Community Corrections and Diversion Programs, respectively.

## **NOTE 4. BUDGET VARIANCES**

There were no excess expenditures over budgets in individual programs that required disclosure.

## **NOTE 5. CASH, COLLECTIONS, CHANGE FUND, 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 operating 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 the Department directed (Government Code 509.011(c) and Local Government Code 113.022 and 140.003(f)).

Employees who have access to public funds are covered by a surety bond, as well as employees who maintain and administer public funds and change funds.



**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*Notes to the Financial Statements*

*For the Year Ended August 31, 2023*

**NOTE 5. CASH, COLLECTIONS, CHANGE FUND, PETTY CASH AND INVESTMENTS - Continued**

The Department did not utilize a change fund.

The Department had no petty cash.

Idle funds are invested in interest bearing accounts.

**NOTE 6. FUNDS COLLECTED BY THE CSCD FROM NON TDCJ-CJAD WHICH ARE REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS.**

<u>Source</u>	<u>Amount Received</u>	<u>Restrictions for Use</u>	<u>Expended In Accordance With Restriction</u>
Community Supervision Fees	\$ <u>622,249</u>	Texas Code of Criminal Procedure Article 42A.652(a); Financial Management Manual for TDCJ-CJAD funding restrictions	Yes
<u>Payments by Program Participants</u>			
Pre-Trial Diversion Fees	\$ 38,144	Government Code, Section 76.015c; Texas Criminal Procedure Article 42A; FMM for TDCJ-CJAD funding restrictions	Yes
Urinalysis Fees	68,803		
Anger Management Program	45		
Cognitive Behavior Fees	<u>30</u>		
Total Payments by Program Participants:	\$ <u>107,022</u>	Government Code, Sec. 76.015; Sec. 19, Art. 42.12 Code of Criminal Procedures; FMM for TDCJ-CJAD funding restrictions	
Interest Income	\$ <u>17,029</u>	FMM for TDCJ-CJAD funding restrictions	Yes
<u>Other Revenue</u>			
Transaction Fee Refunds	\$ 11	FMM for TDCJ-CJAD funding restrictions	Yes
Health & Human Services Restitution Fee	440		
Aluminum Can Sales	83		
Referral Fees for Advent Courses	805		
Unclaimed Checks	24		
Training Kit Reimbursement	57		
Firearms Certification Class	<u>1,650</u>		
Total Other Revenue	\$ <u>3,070</u>		

**NOTE 7. COMMITMENTS AND CONTINGENCIES**

There were no commitments and contingencies as of August 31, 2023.

**NOTE 8. EVALUATION OF SUBSEQUENT EVENTS**

The Department has evaluated subsequent events through February 21, 2024, the date which the financial statements were available to be issued. There were no subsequent events that require disclosure.

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**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*Schedule of Differences Between Audit Report and CSCD Reports as Submitted to TDCJ-CJAD*

*Basic Supervision*

*For the Year Ended August 31, 2023*

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
Revenue:			
State aid	\$ 166,614	\$ 166,614	\$ -
Total state aid not including SAFPF	<u>166,614</u>	<u>166,614</u>	<u>-</u>
State aid: SAFPF	1,915	1,915	-
Community supervision fees	622,249	622,249	-
Payments by program participants	107,022	107,022	-
Interest income	17,029	17,029	-
Other revenue	<u>3,070</u>	<u>3,070</u>	<u>-</u>
Total revenue	<u>917,899</u>	<u>917,899</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	946,022	946,022	-
Travel and furnished transportation	46,635	46,635	-
Contract services for offenders	310	310	-
Professional fees	7,922	7,922	-
Supplies and operating expenses	37,776	37,776	-
Utilities	3,360	3,360	-
Equipment	<u>31,545</u>	<u>31,545</u>	<u>-</u>
Total expenditures	<u>1,073,570</u>	<u>1,073,570</u>	<u>-</u>
Excess of revenues under expenditures	<u>( 155,671 )</u>	<u>( 155,671 )</u>	<u>-</u>
Other Financing Uses:			
Basic supervision interfund transfer (+ or -)	<u>( 1,876 )</u>	<u>( 1,876 )</u>	<u>-</u>
Total Other Financing Uses	<u>( 1,876 )</u>	<u>( 1,876 )</u>	<u>-</u>
Prior year ending fund balance	<u>692,569</u>	<u>692,569</u>	<u>-</u>
Audited year ending fund balance	<u>\$ 535,022</u>	<u>\$ 535,022</u>	<u>\$ -</u>

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*Schedule of Differences Between Audit Report and CSCD Reports as Submitted to TDCJ-CJAD  
Community Corrections - Community Service Restitution  
For the Year Ended August 31, 2023*

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
Revenue:			
State aid	\$ 57,003	\$ 57,003	\$ -
Total revenue	<u>57,003</u>	<u>57,003</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	40,358	40,358	-
Travel and furnished transportation	568	568	-
Contract services for offenders	1,696	1,696	-
Professional fees	428	428	-
Supplies and operating expenses	107	107	-
Equipment	<u>210</u>	<u>210</u>	<u>-</u>
Total expenditures	<u>43,367</u>	<u>43,367</u>	<u>-</u>
Excess of revenues over expenditures	<u>13,636</u>	<u>13,636</u>	<u>-</u>
Prior year ending fund balance	1,451	1,451	-
Refund due to TDCJ-CJAD	<u>(15,087)</u>	<u>(15,087)</u>	<u>-</u>
Audited year ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*Schedule of Differences Between Audit Report and CSCD Reports as Submitted to TDCJ-CJAD  
Community Corrections - Special Services  
For the Year Ended August 31, 2023*

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
Revenue:			
State aid	\$ 55,071	\$ 55,071	\$ -
Total revenue	<u>55,071</u>	<u>55,071</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	56,534	56,534	-
Professional fees	<u>413</u>	<u>413</u>	<u>-</u>
Total expenditures	<u>56,947</u>	<u>56,947</u>	<u>-</u>
Excess of revenues under expenditures	<u>( 1,876 )</u>	<u>( 1,876 )</u>	<u>-</u>
Other Financing Sources:			
Basic supervision interfund transfer (+ or -)	<u>1,876</u>	<u>1,876</u>	<u>-</u>
Total Other Financing Sources	<u>1,876</u>	<u>1,876</u>	<u>-</u>
Prior year ending fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Audited year ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*Schedule of Differences Between Audit Report and CSCD Reports as Submitted to TDCJ-CJAD  
 Diversion Grant Program - Sex Offender Caseload Program  
 For the Year Ended August 31, 2023*

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
Revenue:			
State aid	\$ 87,333	\$ 87,333	\$ -
Total revenue	<u>87,333</u>	<u>87,333</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	61,904	61,904	-
Contracted services for offenders	22,270	22,270	-
Professional fees	655	655	-
Supplies and operating expenses	<u>1,819</u>	<u>1,819</u>	<u>-</u>
Total expenditures	<u>86,648</u>	<u>86,648</u>	<u>-</u>
Excess of revenues over expenditures	<u>685</u>	<u>685</u>	<u>-</u>
Prior year ending fund balance	<u>685</u>	<u>685</u>	<u>-</u>
Refund due to TDCJ-CJAD	( 685)	( 685)	-
Audited year ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*Schedule of Differences Between Audit Report and CSCD Reports as Submitted to TDCJ-CJAD  
 Diversion Grant Program - Mentally Impaired Caseload  
 For the Year Ended August 31, 2023*

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
Revenue:			
State aid	\$ 55,000	\$ 55,000	\$ -
Total revenue	<u>55,000</u>	<u>55,000</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	45,709	45,709	-
Professional fees	<u>413</u>	<u>413</u>	<u>-</u>
Total expenditures	<u>46,122</u>	<u>46,122</u>	<u>-</u>
Excess of revenues over expenditures	<u>8,878</u>	<u>8,878</u>	<u>-</u>
Prior year ending fund balance	2,430	2,430	-
Refund due to TDCJ-CJAD	<u>(11,308)</u>	<u>(11,308)</u>	<u>-</u>
Audited year ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*Schedule of Differences Between Audit Report and CSCD Reports as Submitted to TDCJ-CJAD  
 Diversion Grant Program - Pre-Trial Diversion Program  
 For the Year Ended August 31, 2023*

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
Revenue:			
State aid	\$ 42,454	\$ 42,454	\$ -
Total revenue	<u>42,454</u>	<u>42,454</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	35,079	35,079	-
Professional fees	<u>318</u>	<u>318</u>	<u>-</u>
Total expenditures	<u>35,397</u>	<u>35,397</u>	<u>-</u>
Excess of revenues over expenditures	<u>7,057</u>	<u>7,057</u>	<u>-</u>
Prior year ending fund balance	-	-	-
Refund due to TDCJ-CJAD	<u>( 7,057 )</u>	<u>( 7,057 )</u>	<u>-</u>
Audited year ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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 *Government Auditing Standards* for Nacogdoches County District Probation Department, Nacogdoches, Texas

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 Nacogdoches County District Probation Department, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the Nacogdoches County District Probation Department's basic financial statements, and have issued our report thereon dated February 21, 2024.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Nacogdoches County District Probation 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 Nacogdoches County District Probation Department's internal control. Accordingly, we do not express an opinion on the effectiveness of Nacogdoches County District Probation 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.

**Lake Jackson**  
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979-297-4075

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201 W. Webb St.  
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Angleton, TX 77515  
979-849-8297

**Bay City**  
2245 Avenue G  
Bay City, TX 77414  
979-245-9236



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

As part of obtaining reasonable assurance about whether Nacogdoches County District Probation 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 21, 2024

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**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*Schedule of Findings and Questioned Costs*

*For the Year Ended August 31, 2023*

I. Findings related to the financial statements

None.

II. Findings related to the Department reporting to TDCJ

None.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*Schedule of Findings and Questioned Costs For Prior Year*

*For the Year Ended August 31, 2023*

In accordance with GAO-12-331G Government Auditing Standards, Chapter 4.05, as issued by the Comptroller General of the United States, auditors should evaluate whether the audited entity has taken the appropriate corrective action to address findings and recommendations from prior engagements that could have a material effect on the financial statements or other financial data significant to the audit objectives. The following is the schedule of findings and questioned costs for prior year:

None.

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*FY 2023 TDCJ-CJAD Compliance Checklist*

*For the Year Ended August 31, 2023*

**TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST**

***The Compliance Checklist FORMAT AND CONTENT are NOT TO BE ALTERED.***

Indicate whether these compliance requirements have been met by answering “YES,” “NO,” or “N/A” (Not Applicable). If “N/A” is blocked out, then answers must be either “YES” or “NO”. *Contact your Fiscal Auditor if you have any questions.*

YES NO N/A

**FINANCIAL POLICIES AND PROCEDURES** *(Questions 1-4)*

*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- 4 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?

**Credit (Procurement) Cards, FMM Internal Controls, Separation of Duties, Credit Cards,** *(Question 2)*

CSCDs may obtain a credit card in the CSCD’s name for official use only. Charges to the CSCD credit card for personal items shall not be allowed, even if promptly reimbursed. If a credit card is maintained by the CSCD for official expenditures, the CSCD shall maintain a written policy regarding credit card use by employees.

2.                 If the CSCD has a credit (procurement) card for official CSCD use, does the CSCD have a written policy regarding credit card use by employees and is the CSCD following the policy?

**Equipment, FMM Disposal of Surplus Property / Allowable and Unallowable Expenditures, Equipment,** *(Question 3)*

Equipment items purchased valued at \$1,000 or more and has a useful life of more than three years must be tagged and included on an inventory list. Inventory tags indicating CSCD ownership must be placed on all equipment purchased with CSCD funds. Periodic inventory testing must be performed by the CSCD, and an updated annual inventory kept on file for auditing purposes.

3.              Was equipment physically inventoried and adequately supported with an inventory form?

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*FY 2023 TDCJ-CJAD Compliance Checklist*

*For the Year Ended August 31, 2023*

**Cash Matching for Grants; FMM Grants, Donations, Fees (Question 4)**

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).

4.                Was cash matching properly authorized, budgeted, and expended?

**FINANCIAL STATEMENTS (Questions 5-11)**

*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 5, 7, 9, and 11 are answered NO. All sources identified in questions 6, 8, & 10-11 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.*

5.            Were expenditures and revenues supported by adequate documentation?

**Interfund Transfers; FMM Financial Reports, Additional Reporting Requirements (Questions 6-7)**

CSCDs cannot end a fiscal year with a negative fund balance in any program. Any negative fund balances in CC, DP, or TAIP must be covered by an interfund transfer from Basic Supervision.

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

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

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

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*FY 2023 TDCJ-CJAD Compliance Checklist*

*For the Year Ended August 31, 2023*

**Deobligations, Government Code, Chapter 509, Section 509.011 (h), FMM Deobligations (Questions 8-9)**

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.

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

9.    \_\_\_    \_\_\_        Were the appropriate budget adjustments made for any reallocated funds?

**Budget Variances, FMM Budgets (Question 10)**

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

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

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

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

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

YES    NO    N/A

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

**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**.*



**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*FY 2023 TDCJ-CJAD Compliance Checklist*

*For the Year Ended August 31, 2023*

**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 CSCDs are encouraged to use the modified accrual basis of accounting for each quarter, the first, second, and third quarter reports may be prepared on the cash basis method of accounting. The fourth quarter report, which closes out the fiscal year, must be prepared on the modified accrual basis of accounting.

For the CSCD to report an accrual, as of August 31<sup>st</sup> on the fourth quarter report, TDCJ-CJAD requires that the expenditures be paid, and the item received by October 31<sup>st</sup>.

- |     |   |     |  |
|-----|---|-----|--|
| 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? <i>The cutoff date for revenues recognition and expenditures payments of the fiscal year audited is <b>October 31<sup>st</sup>, of the fiscal year audited.</b></i> |

**FUNDS COLLECTED FROM NON TDCJ-CJAD SOURCES WHICH ARE REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS** *(Questions 15-24)*

*An explanation is required in the Funds Collected from Non TDCJ-CJAD Sources 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, 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).

**NACOGDOCHES COUNTY DISTRICT PROBATION DEPARTMENT**

*FY 2023 TDCJ-CJAD Compliance Checklist*

*For the Year Ended August 31, 2023*

YES NO N/A

- |     |     |          |          |   |
|-----|-----|----------|----------|---|
| 17. | ___ | <u>✓</u> |          | Did the CSCD collect any <b>administrative fees of \$25-\$60</b> from <b>offender and/or non-offender individuals</b> 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. | ___ | ___      | <u>✓</u> | If collected, when the CSCD assessed the administrative fee, did the CSCD assess less than \$25 or more than \$60 for the fee?  |
| 19. | ___ | ___      | <u>✓</u> | If collected, did the CSCD assess administrative fees of \$25-\$60 for those individuals who also pay a monthly supervision fee under Articles 42A.652 Code of Criminal Procedure?  |

**Fees for Pretrial Intervention Programs; Texas Code of Criminal Procedure Chapter 102.012, FMM Statutory Requirements (Question 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. | <u>✓</u> | ___ |  | Did the CSCD collect fees for <b>pretrial intervention programs</b> in the fiscal year audited? |
|-----|----------|-----|--|---|

**Administrative Fees (i.e., Transaction Administrative Fees); 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. 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. | ___ | <u>✓</u> |          | Did the CSCD collect <b>administrative fees</b> (i.e. <b>transaction administrative fees</b> ) 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. | ___ | ___      | <u>✓</u> | If collected, did any single <b>transaction administrative</b> fee exceed the allowable \$2?  |
| 23. | ___ | ___      | <u>✓</u> | If collected, during each transaction, does the CSCD issue separate receipts for each fine, fee, restitution, or other cost paid while charging the \$2 <b>transaction administrative fee</b> for each receipt?   |

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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)?

YES   NO   N/A

**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 commissioner's court may extend the period during which funds must be deposited with the county treasurer, but the period may not exceed 15 days after the date the funds are received. (b) A county treasurer shall deposit the money received under Subsection (a) in the county depository in accordance with Section [116.113](#)(a). In all cases, the treasurer shall deposit the money on or before the seventh business day after the date the treasurer receives the money.

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

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

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

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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?

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?

YES    NO    N/A

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

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

31.                Did the CSCD maintain **petty cash** in the fiscal year audited?

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- 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)?
  
- 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?
- YES    NO    N/A**

**SCHEDULE OF DIFFERENCES (Question 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 question 37 is answered **NO**.*

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

**COMPLIANCE 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?

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- 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?

**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 compliant?

**OTHER MATTERS**

- 45.    \_\_\_        Was an on-site visit to the CSCD headquarters conducted by the CPA or CPA firm staff during the duration of the audit?
- 46.    \_\_\_        Was a management letter noting certain immaterial instances of noncompliance issued to the CSCD?