

**TEXAS JUVENILE PROBATION COMMISSION
GRANT FUNDS OF
NACOGDOCHES COUNTY, TEXAS
FOR THE YEAR ENDED AUGUST 31, 2011**

**TEXAS JUVENILE PROBATION COMMISSION 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 statement of revenues, expenditures and changes in fund balance - budget and actual - regulatory basis for the year ending August 31, 2011 of the Nacogdoches County, Texas Juvenile Probation Department Juvenile Probation Commission Grant Funds (the Department). This statement is the responsibility of the Department's management. Our responsibility is to express an opinion on the financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in the notes, the Department prepares its financial statement using accounting practices prescribed or permitted by the Texas Juvenile Probation Commission, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statement of the variances between those regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The financial statement was prepared on the same basis of accounting used for reporting to Texas Juvenile Probation Commission, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

Independent Auditor's Report

Nacogdoches County Juvenile Probation Board

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In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue it earned and expenditures incurred compared to budgeted revenues and expenditures of the Department's Juvenile Probation Commission Grant Funds for the year ended August 31, 2011 in conformity with the basis of accounting described in the notes.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2012, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters.

The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of management of the Nacogdoches County Juvenile Board and for filing with the Texas Juvenile Probation Commission 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 25, 2012

**TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

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

STATE AID - TJPC-A-2011-174

FOR THE YEAR ENDED AUGUST 31, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
TJPC	108,840	103,665	(5,175)
Total revenue	108,840	103,665	(5,175)
Expenditures			
Salaries and fringe benefits	75,215	73,984	1,231
Travel	6,000	3,895	2,105
Operating expenses	25,506	23,667	1,839
Nonresidential services	2,119	2,119	-
Residential	-	-	-
Total expenditures	108,840	103,665	5,175
Excess revenue over (under) expenditures	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	-	-	-
 Additional information			
Refunds paid to TJPC subsequent to 8/31/11: September 27, 2011	5,175		

The accompanying notes are an integral part of this financial statement

**TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

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

COMMUNITY CORRECTIONS - TJPC-Y-2011-174

FOR THE YEAR ENDED AUGUST 31, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
TJPC	147,313	131,598	(15,715)
Total revenue	147,313	131,598	(15,715)
Expenditures			
Salaries and fringe benefits	96,841	92,025	4,816
Travel	5,000	3,633	1,367
Operating expenses	31,191	27,426	3,765
Nonresidential services	4,500	1,997	2,503
Residential	9,781	6,517	3,264
Total expenditures	147,313	131,598	15,715
Excess revenue over (under) expenditures	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	-	-	-

Additional information

Refunds paid to TJPC subsequent to 8/31/11:
September 27, 2011

15,715

The accompanying notes are an integral part of this financial statement

**TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

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

SALARY ADJUSTMENT - TJPC-Z-2011-174

FOR THE YEAR ENDED AUGUST 31, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
TJPC	12,000	12,000	-
Total revenue	12,000	12,000	-
Expenditures			
Salaries and fringe benefits	12,000	12,000	-
Travel	-	-	-
Operating expenses	-	-	-
Nonresidential services	-	-	-
Residential	-	-	-
Total expenditures	12,000	12,000	-
Excess revenue over (under) expenditures	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	-	-	-

Additional information

Refunds paid to TJPC subsequent to 8/31/11:
September 27, 2011

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The accompanying notes are an integral part of this financial statement

**TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

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

PROGRESSIVE SANCTIONS JPO - TJPC-F-2011-174

FOR THE YEAR ENDED AUGUST 31, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
TJPC	71,925	71,925	-
Total revenue	71,925	71,925	-
Expenditures			
Salaries and fringe benefits	71,925	71,925	-
Travel	-	-	-
Operating expenses	-	-	-
Nonresidential services	-	-	-
Residential	-	-	-
Total expenditures	71,925	71,925	-
Excess revenue over (under) expenditures	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	-	-	-

Additional information

Refunds paid to TJPC subsequent to 8/31/11:
September 27, 2011

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The accompanying notes are an integral part of this financial statement

**TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

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

COMMITMENT REDUCTION - TJPC-C-2011-174

FOR THE YEAR ENDED AUGUST 31, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
TJPC	102,200	102,200	-
Total revenue	102,200	102,200	-
Expenditures			
Salaries and fringe benefits	-	-	-
Travel	-	-	-
Operating expenses	-	-	-
Nonresidential services	-	-	-
Residential	102,200	102,200	-
Total expenditures	102,200	102,200	-
Excess revenue over (under) expenditures	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	-	-	-

Additional information

Refunds paid to TJPC subsequent to 8/31/11:
September 27, 2011

-

The accompanying notes are an integral part of this financial statement

**TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

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

DIVERSIONARY - TJPC-H-2011-174

FOR THE YEAR ENDED AUGUST 31, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
TJPC	31,572	31,572	-
Total revenue	31,572	31,572	-
Expenditures			
Salaries and fringe benefits	-	-	-
Travel	-	-	-
Operating expenses	-	-	-
Nonresidential services	-	-	-
Residential	31,572	31,572	-
Total expenditures	31,572	31,572	-
Excess revenue over (under) expenditures	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	-	-	-

Additional information

Refunds paid to TJPC subsequent to 8/31/11:
September 27, 2011

The accompanying notes are an integral part of this financial statement

**TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

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

ICBP REGIONAL - TJPC-X-2011-174

FOR THE YEAR ENDED AUGUST 31, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
TJPC	2,600	2,600	-
Total revenue	2,600	2,600	-
Expenditures			
Salaries and fringe benefits	-	-	-
Travel	-	-	-
Operating expenses	-	-	-
Nonresidential services	2,600	2,600	-
Residential	-	-	-
Total expenditures	2,600	2,600	-
Excess revenue over (under) expenditures	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	-	-	-

Additional information

Refunds paid to TJPC subsequent to 8/31/11:
September 27, 2011

-

The accompanying notes are an integral part of this financial statement

**TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2011

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Entity

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

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

The Juvenile Probation Department Texas Juvenile Probation Commission Grant Funds are the only funds included in these financial statements.

Basis of Accounting

The financial statements were prepared in conformity with the accounting practices prescribed by the Commission, 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. Expenditures are recognized when incurred, if paid within three months of the fiscal year-end.
- 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 Probation Commission is generally September 1 through August 31.

**TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2011

RECONCILIATION OF ACCRUED INTEREST

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

	TJPC	Title IV-E	Total
Beginning balance	0	0	0
Interest accrued	688	1,391	2,079
Minus expenditures	688	1,391	2,079
Ending balance	0	0	0

Excess funds are aggregated and invested along with the County's other investments. Investment earnings related to the Texas Juvenile Probation Commission Grant Funds for the year ended August 31, 2011 are calculated at \$688. This amount was expended on local juvenile probation expenditures. Investment earnings related to Title IV-E were calculated at \$1,391. This amount was recorded and expended in the Title IV-E fund.

OPERATING COST FOR A SECURE JUVENILE FACILITY

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

FEDERAL FINANCIAL ASSISTANCE

The Texas Juvenile Probation Commission administers, along with the Texas Department of Family and Protective Services, the Title IV-E Program (CFDA 93.658). The Commission disburses funds to Nacogdoches County Juvenile Probation on a cost reimbursement basis. A confirmation of revenue received in the year ending August 31, 2011 is required and presented below. This includes receipts for direct and enhanced administrative foster care claiming.

Title IV-E Foster Care <u>Contract Number</u>	Amount Received (cash basis) <u>August 31, 2011</u>
E-2009-174	0
E-2010-174	0
Total received	0

**TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2011

PROGRESSIVE SANCTIONS OFFICERS

The following shows the funding awarded to Nacogdoches County for the Progressive Sanctions Officers, in fiscal years 1996 - 1999, expenditures and any unexpended balance. Total positions by award are listed within the State Financial Assistance Contract under 4.1.1.4 for (Grant "F")-Progressive Sanctions JPO and 4.1.1.7 for (Grant "O")-Progressive Sanctions ISJPO. Funds that become available during the term of the State Financial Assistance Contract due to vacant Progressive Sanctions positions shall be returned to the Commission at the end of the State Financial Assistance Contract term.

Contract Section	Awarded Funding	Expenditures	Unexpended Balance
Progressive Sanctions JPO F-FY2011			
A. Basic PSO FY 98-99 \$27,567	27,567	27,567	0
B. Basic PSO FY 96-97 \$22,179	44,358	44,358	0
Progressive Sanctions ISJPO O-FY2011			
A. Basic PSO FY 98-99 \$27,240	0	0	0
B. Basic PSO FY 96-97 \$26,502	0	0	0
Total	71,925	71,925	0

The Texas Juvenile Probation Commission awarded Basic Progressive Sanctions officer and ISP Progressive Sanctions officer funding to select juvenile probation departments statewide in fiscal years 1996 - 1999. Allocations following two Legislative sessions result in the four officer classifications shown in the table.

SALARY ADJUSTMENT COMPLIANCE

Funding for the Salary Adjustment, Z-FY2011 is clearly restricted. Assurance testing is based on the following contract assurance:

Financial Assurances:

The grant funds made available for salary adjustments under Article IV of this grant were used only to provide salary adjustments not exceeding \$3,000 for eligible full-time certified juvenile probation officers and \$1,500 for eligible full-time certified juvenile detention officers including fringe benefits. All funds not used for this purpose were returned to the Commission in accordance with the Unexpended Balances and Refunds Due provision of the General Grant requirements.

**TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2011

Total population:	4.00 Certified Juvenile Probation Officers
	0.00 Detention and Correction Officers
Sample size:	4.00 Certified Juvenile Probation Officers
	0.00 Detention and Correction Officers

All positions tested for compliance were correctly certified and paid.

Compliance Section



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 Board
Nacogdoches, Texas

We have audited the statement of revenues, expenditures and changes in fund balance - budget and actual - regulatory basis for the year ending August 31, 2011 of the Nacogdoches County, Texas Juvenile Probation Department Juvenile Probation Commission Grant Funds (the Department), and have issued our report thereon dated February 25, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Department's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 Board
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements; and general financial, progressive sanctions, salary adjustment, and IV-E assurances, 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. Compliance with laws, regulations, contracts, grants, and requirements of the Texas Juvenile Probation Commission Audit Requirements is the responsibility of the management of the Department. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management of the Nacogdoches County Juvenile Board and for filing with the Texas Juvenile Probation Commission 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 25, 2012

**TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

SCHEDULE OF FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2011

None

**TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

SCHEDULE OF STATUS OF PRIOR FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2011

N/A

**TEXAS JUVENILE PROBATION COMMISSION GRANT FUNDS
OF NACOGDOCHES COUNTY, TEXAS**

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED AUGUST 31, 2011

N/A