

**COKE COUNTY DISTRICT
TEXAS JUVENILE JUSTICE
DEPARTMENT GRANT FUNDS**

FINANCIAL AND COMPLIANCE AUDIT REPORTS

**FOR THE YEAR ENDED
AUGUST 31, 2022**

GRANT TJJD-A-22-041

**COKE COUNTY DISTRICT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS**

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INDEPENDENT AUDITOR'S REPORT

To the Juvenile Board and
Director of Juvenile Probation Department
Coke County, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Texas Juvenile Justice Department Grant Funds of Coke County Juvenile Probation Department (Department), as of and for the year ended August 31, 2022, the statement of revenues, expenditures and changes in fund balances-budget and actual-regulatory basis for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Coke County Juvenile Probation Department as of August 31, 2022, or the changes in financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Coke County Juvenile Probation Department (Department) on the basis of accounting practices prescribed or permitted by the Texas Juvenile Justice Department (TJJD) to demonstrate compliance with the Texas Juvenile Justice Department (TJJD)'s regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

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 on the basis of accounting practices prescribed or permitted by the Texas Juvenile Justice Department (TJJD), which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions on the Department's Regulatory Basis of Accounting are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices prescribed or permitted by TJJD to demonstrate compliance with TJJD's regulatory basis of accounting. 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 opinions. 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 GAAS and *Government 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department’s ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2023, 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, 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 Department’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department’s internal control over financial reporting and compliance.

Restriction on Use

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
February 23, 2023

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FINANCIAL SECTION

**COKE COUNTY DISTRICT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS**

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE BY CONTRACT
BUDGET AND ACTUAL (REGULATORY BASIS)

FOR THE YEAR ENDED AUGUST 31, 2022

	A-22-041		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUE			
TJJD grant funds	\$ 196,261	\$ 196,261	\$ -
Total Revenue	<u>196,261</u>	<u>196,261</u>	<u>-</u>
EXPENDITURES			
Basic Probation Services	110,307	110,307	-
Community Programs	44,426	44,426	-
Pre Post Adjudications	28,326	28,326	-
Commitment Diversion	-	-	-
Mental Health Services	<u>13,202</u>	<u>13,202</u>	<u>-</u>
Total Expenditures	<u>196,261</u>	<u>196,261</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	-	-
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**COKE COUNTY DISTRICT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Entity

The Texas Juvenile Justice Department Grant Funds of Coke County District (the "Funds") were established to account for juvenile probation services funded by the Texas Juvenile Justice Department (TJJD) in the Coke County District. The counties included with Coke County District are Coke, Runnels, Sterling, Schleicher, Irion, and Concho.

The Funds provide separate accountability, as required by TJJD under the State Financial Assistance Contract. 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 prescribe policies and procedures for county probation departments and which constitute a comprehensive basis of accounting other than generally accepted accounting principles. These accounting practices include the following:

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

2. RECONCILIATION OF INTEREST EARNED

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

	Interest Earned TJJD Funds FY 2022	Interest Earned Title IV-E Funds FY 2022	Total Interest
Beginning balance, Sept 1, 2021	\$ 11,983	\$ 9,863	\$ 21,846
Interest earned on funds received from the period of 9/01/21 - 8/31/22	276	263	539
Total interest at Aug 31, 2022	12,259	10,126	22,385
Minus interest expenditures in FY 2022	-	-	-
Ending balance, Aug 31, 2022	\$ 12,259	\$ 10,126	\$ 22,385

3. OPERATING COSTS FOR A SECURE JUVENILE FACILITY

The Department does not operate a secure juvenile facility.

4. FEDERAL FINANCIAL ASSISTANCE

The Texas Juvenile Justice Department administers along with the Texas Department of Family Protective Services, the Title IV-E Program (CFDA 93.658). TJJD disburses funds to Coke County on a cost reimbursement basis. A confirmation of revenue received in the year ending August 31, 2022 is required. This includes receipts for direct and enhanced administrative foster care claims. The Department did not receive any Title IV-E reimbursements for the fiscal year ended August 31, 2022.

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 equal to or greater than the amount spent in the 2006 county fiscal year excluding construction and capital outlay expenses unless waived in accordance with provisions of the State Financials Assistance Fund grant. A confirmation of local funds for the year ending August 31, 2022 is required and presented below.

	<u>Local Funding Expended (less construction and capital outlay)</u>
FY 2022	\$ 23,720
FY 2006	20,629

The Juvenile Probation Department certified the financial match requirements were fulfilled in FY 2022.

COMPLIANCE SECTION

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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

To the Juvenile Board and
Director of Juvenile Probation Department
Coke County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Texas Juvenile Justice Department Grant Funds of Coke County Juvenile Probation (Department) as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated February 23, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provision 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.

Restriction on Use

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
February 23, 2023

**COKE COUNTY DISTRICT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2022

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

**COKE COUNTY DISTRICT
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS**

SCHEDULE OF PRIOR-YEAR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2022

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