

**COLLIN COUNTY
COMMUNITY SUPERVISION AND
CORRECTIONS DEPARTMENT**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED
AUGUST 31, 2008**

WITH INDEPENDENT AUDITORS' REPORT

**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

YEAR ENDED AUGUST 31, 2008

TABLE OF CONTENTS

	<u>Page Number</u>
 COMBINED FINANCIAL STATEMENTS	
Independent Auditors' Report.....	1 – 2
Combined Statement of Financial Position.....	3
Combined Statement of Revenue, Expenditures, and Changes in Fund Balance	4
Combining Statement of Revenue, Expenditures, and Changes in Fund Balance – All Diversion Target Grant Program Funds.....	5 – 6
Individual Statement of Revenue, Expenditures and Changes in Fund Balance – Budget, Actual and Prior Year – Basic Supervision Program	7
Individual Statements of Revenue, Expenditures and Changes in Fund Balance – Budget, Actual and Prior Year – Community Corrections Programs.....	8
Individual Statements of Revenue, Expenditures and Changes in Fund Balance – Budget, Actual and Prior Year – Diversion Target Grant Programs	9 – 13
Individual Statement of Revenue, Expenditures and Changes in Fund Balance – Budget, Actual and Prior Year – Treatment Alternatives to Incarceration Program	14
Notes to Financial Statements	15 – 17

(continued)

**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

YEAR ENDED AUGUST 31, 2008

TABLE OF CONTENTS

	<u>Page Number</u>
SUPPLEMENTARY INFORMATION	
Schedules of Differences Between Audit Report and CSCD Reports.....	18 – 25
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 <i>Government Auditing Standards</i>	26 – 27
Schedule of Findings and Questioned Costs.....	28
Fiscal Year 2008 TDCJ-CJAD Compliance Checklist	29 – 30



INDEPENDENT AUDITORS' REPORT

Collin County Community
Supervision and Corrections Department
Collin County, Texas
McKinney, Texas

We have audited the accompanying combined financial statements of the Collin County Community Supervision and Corrections Department, and the combining and individual funds of the Collin County Community Supervision and Corrections Department, as of and for the year ended August 31, 2008, as listed in the table of contents. These financial statements are the responsibility of the management of the Collin County Community Supervision and Corrections Department. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 in Note 1, the financial statements are prepared using the prescribed basis of accounting that demonstrates compliance with TDCJ-CJAD financial reporting requirements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

As discussed in Note 1, the financial statements present only the Collin County Community Supervision and Corrections Department, and are not intended to present fairly the financial position of Collin County, Texas, and the results of its operations in conformity with generally accepted accounting principles.

In our opinion, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Collin County Community Supervision and Corrections Department, as of August 31, 2008, and the results of its operations for the year then ended, in conformity with the basis of accounting described in the notes. Also, in our opinion, the combining and individual funds referred to above present fairly, in all material respects, the financial position of each of the individual funds of the Collin County Community Supervision and Corrections Department, as of August 31, 2008, and the results of operations of such funds for the year then ended in conformity with the basis of accounting described in the notes.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 25, 2009, on our consideration of the Collin County Community Supervision and Corrections Department's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our 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, others within the organization, the Collin County Community Supervision and Corrections Department, and the Texas Department of Criminal Justice – Community Justice Assistance, and is not intended to be and should not be used by anyone other than these specified parties.

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

March 25, 2009

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

COMBINED STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2008

	Supervision	Community Corrections	Diversion Target Program	Treatment Alternatives to Incarceration Program	Total
ASSETS					
Cash					
Bank balances	\$ 3,640,790	\$ 57,622	\$ 75,933	\$ 12,953	\$ 3,787,298
Accounts Receivable					
Probation fees	311,437	5,272	-	-	316,709
Other receivables	19,239	49,991	1,024	-	70,254
Total Assets	\$ 3,971,466	\$ 112,885	\$ 76,957	\$ 12,953	\$ 4,174,261
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 175,254	\$ 5,648	\$ 26,235	\$ 5,612	\$ 212,749
Due to other	11,775	1,580	724	-	14,079
Total Liabilities	187,029	7,228	26,959	5,612	226,828
Fund Balance	3,784,437	105,657	49,998	7,341	3,947,433
Total Liabilities and Fund Balance	\$ 3,971,466	\$ 112,885	\$ 76,957	\$ 12,953	\$ 4,174,261

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE**

FOR THE YEAR ENDED AUGUST 31, 2008

	<u>Supervision</u>	<u>Community Corrections</u>	<u>Diversion Target Program</u>	<u>Treatment Alternative to Incarceration Program</u>	<u>Total</u>
REVENUE					
State aid	\$ 1,315,283	\$ 828,185	\$ 559,637	\$ 47,126	\$ 2,750,231
State aid: SAFFP	51,493	-	-	-	51,493
Community supervision fees	3,884,406	-	-	-	3,884,406
Payments by program participants	318,936	33,068	60	-	352,064
Interest income	165,545	-	-	-	165,545
Other revenue	63,885	-	4,343	-	68,228
Total Revenue	<u>5,799,548</u>	<u>861,253</u>	<u>564,040</u>	<u>47,126</u>	<u>7,271,967</u>
EXPENDITURES					
Salaries and fringe benefits	4,462,042	175,739	864,679	-	5,502,460
Travel and furnished transportation	122,776	2,110	9,408	-	134,294
Contract services	17,367	222,222	31,795	39,484	310,868
Professional fees	83,032	5,926	6,369	301	95,628
Supplies and operating expenses	358,284	5,248	-	-	363,532
Facilities	1,215	-	-	-	1,215
Utilities	3,433	-	-	-	3,433
Equipment	6,941	-	-	-	6,941
Total Expenditures	<u>5,055,090</u>	<u>411,245</u>	<u>912,251</u>	<u>39,785</u>	<u>6,418,371</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	744,458	450,008	(348,211)	7,341	853,596
FUND BALANCE, SEPTEMBER 1, 2007	3,407,722	278,839	45,670	15,096	3,747,327
INTERFUND TRANSFER IN (OUT)	(53,858)	(344,351)	398,209	-	-
FUND BALANCE BEFORE REFUND TO CJAD	4,098,322	384,496	95,668	22,437	4,600,923
PRIOR YEAR REFUND	(313,885)	(278,839)	(45,670)	(15,096)	(653,490)
FUND BALANCE, AUGUST 31, 2008	<u>\$ 3,784,437</u>	<u>\$ 105,657</u>	<u>\$ 49,998</u>	<u>\$ 7,341</u>	<u>\$ 3,947,433</u>

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

Substance Abuse	High/Medium Reduction Caseload	Total
\$ 62,888	\$ 339,864	\$ 559,637
-	-	60
-	-	4,343
<u>62,888</u>	<u>339,864</u>	<u>564,040</u>
169,191	478,362	864,679
65	9,343	9,408
-	-	31,795
471	4,722	6,369
<u>169,727</u>	<u>492,427</u>	<u>912,251</u>
(106,839)	(152,563)	(348,211)
-	44,202	45,670
111,681	163,559	398,209
<u>-</u>	<u>(44,202)</u>	<u>(45,670)</u>
<u>\$ 4,842</u>	<u>\$ 10,996</u>	<u>\$ 49,998</u>

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND PRIOR YEAR**

BASIC SUPERVISION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2008

	Budget	Actual	Variance Favorable (Unfavorable)	Prior Year Actual
REVENUE				
State aid	\$ 1,315,282	\$ 1,315,283	\$ 1	\$ 1,187,202
State aid: SAFFP	27,685	51,493	23,808	41,164
Community supervision fees	3,523,418	3,884,406	360,988	3,523,418
Payments by program participants	174,200	318,936	144,736	199,709
Interest income	150,000	165,545	15,545	224,838
Other revenue	62,400	63,885	1,485	61,589
Total Revenue	5,252,985	5,799,548	546,563	5,237,920
EXPENDITURES				
Salaries and fringe benefits	4,813,088	4,462,042	351,046	4,207,847
Travel and furnished transportation	258,541	122,776	135,765	54,482
Contract services	174,300	17,367	156,933	7,230
Professional fees	186,865	83,032	103,833	54,141
Supplies and operating expenses	2,842,553	358,284	2,484,269	325,659
Facilities	2,500	1,215	1,285	1,325
Utilities	5,000	3,433	1,567	843
Equipment	23,900	6,941	16,959	3,056
Total Expenditures	8,306,747	5,055,090	3,251,657	4,654,583
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(3,053,762)	744,458	3,798,220	583,337
FUND BALANCE, SEPTEMBER 1, 2007	3,407,722	3,407,722	-	2,824,385
INTERFUND TRANSFER IN (OUT)	(53,898)	(53,858)	40	-
FUND BALANCE BEFORE REFUND TO CJAD	300,062	4,098,322	3,798,260	3,407,722
PRIOR YEAR REFUND	-	(313,885)	(313,885)	-
FUND BALANCE, AUGUST 31, 2008	\$ 300,062	\$ 3,784,437	\$ 3,484,375	\$ 3,407,722

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND PRIOR YEAR**

**COMMUNITY CORRECTIONS PROGRAM
COMMUNITY CORRECTIONS FACILITY**

FOR THE YEAR ENDED AUGUST 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Prior Year Actual</u>
REVENUE				
State aid	\$ 778,194	\$ 828,185	\$ 49,991	\$ 691,528
Payments by program participants	20,000	33,068	13,068	22,194
Total Revenue	<u>798,194</u>	<u>861,253</u>	<u>63,059</u>	<u>713,722</u>
EXPENDITURES				
Salaries and fringe benefits	199,429	175,739	23,690	183,114
Travel and furnished transportation	14,442	2,110	12,332	2,255
Contract services	220,024	222,222	(2,198)	205,024
Professional fees	10,847	5,926	4,921	5,717
Supplies and operating expenses	<u>9,101</u>	<u>5,248</u>	<u>3,853</u>	<u>6,743</u>
Total Expenditures	<u>453,843</u>	<u>411,245</u>	<u>42,598</u>	<u>402,853</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	344,351	450,008	105,657	310,869
FUND BALANCE, SEPTEMBER 1, 2007	278,839	278,839	-	138,134
INTERFUND TRANSFER IN (OUT)	(344,351)	(344,351)	-	(170,164)
FUND BALANCE BEFORE REFUND TO CJAD	278,839	384,496	105,657	278,839
PRIOR YEAR REFUND	<u>-</u>	<u>(278,839)</u>	<u>(278,839)</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2008	<u>\$ 278,839</u>	<u>\$ 105,657</u>	<u>\$(173,182)</u>	<u>\$ 278,839</u>

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND PRIOR YEAR**

**DIVERSION TARGET GRANT PROGRAM
MENTALLY IMPAIRED**

FOR THE YEAR ENDED AUGUST 31, 2008

	Budget	Actual	Variance Favorable (Unfavorable)	Prior Year Actual
REVENUE				
State aid	\$ 42,553	\$ 42,553	\$ -	\$ 42,553
Total Revenue	42,553	42,553	-	42,553
EXPENDITURES				
Salaries and fringe benefits	53,640	48,515	5,125	51,733
Professional fees	319	319	-	319
Total Expenditures	53,959	48,834	5,125	52,052
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(11,406)	(6,281)	5,125	(9,499)
FUND BALANCE, SEPTEMBER 1, 2007	20	20	-	-
INTERFUND TRANSFER IN (OUT)	11,406	11,406	-	9,519
PRIOR YEAR REFUND	-	(20)	(20)	-
FUND BALANCE, AUGUST 31, 2008	\$ 20	\$ 5,125	\$ 5,105	\$ 20

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND PRIOR YEAR**

**DIVERSION TARGET GRANT PROGRAM
SEX OFFENDER**

FOR THE YEAR ENDED AUGUST 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Prior Year Actual
REVENUE				
State aid	\$ 74,787	\$ 74,787	\$ -	\$ 94,533
Total Revenue	<u>74,787</u>	<u>74,787</u>	<u>-</u>	<u>94,533</u>
EXPENDITURES				
Salaries and fringe benefits	146,212	114,808	31,404	102,835
Contract services	25,310	31,795	(6,485)	22,060
Professional fees	561	561	-	709
Total Expenditures	<u>172,083</u>	<u>147,164</u>	<u>24,919</u>	<u>125,604</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(97,296)	(72,377)	24,919	(31,071)
FUND BALANCE, SEPTEMBER 1, 2007	-	-	-	-
INTERFUND TRANSFER IN (OUT)	<u>97,296</u>	<u>97,256</u>	<u>(40)</u>	<u>31,071</u>
FUND BALANCE, AUGUST 31, 2008	<u>\$ -</u>	<u>\$ 24,879</u>	<u>\$ 24,879</u>	<u>\$ -</u>

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND PRIOR YEAR**

**DIVERSION TARGET GRANT PROGRAM
YOUTHFUL OFFENDER**

FOR THE YEAR ENDED AUGUST 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUE				
State aid	\$ 39,545	\$ 39,545	\$ -	\$ 39,545
Payments by program participants	-	60	60	-
Other revenue	-	4,343	4,343	-
Total Revenue	<u>39,545</u>	<u>43,948</u>	<u>4,403</u>	<u>39,545</u>
EXPENDITURES				
Salaries and fringe benefits	53,555	53,803	(248)	52,054
Contract services	-	-	-	1,350
Professional fees	297	296	1	297
Supplies and operating expenses	-	-	-	143
Total Expenditures	<u>53,852</u>	<u>54,099</u>	<u>(247)</u>	<u>53,844</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(14,307)	(10,151)	4,156	(14,299)
FUND BALANCE, SEPTEMBER 1, 2007	1,448	1,448	-	-
INTERFUND TRANSFER IN (OUT)	14,307	14,307	-	15,748
PRIOR YEAR REFUND	<u>-</u>	<u>(1,448)</u>	<u>(1,448)</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2008	<u>\$ 1,448</u>	<u>\$ 4,156</u>	<u>\$ 2,708</u>	<u>\$ 1,449</u>

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND PRIOR YEAR**

**DIVERSION TARGET GRANT PROGRAM
SUBSTANCE ABUSE**

FOR THE YEAR ENDED AUGUST 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUE				
State aid	\$ 62,888	\$ 62,888	\$ -	\$ 62,889
Total Revenue	<u>62,888</u>	<u>62,888</u>	<u>-</u>	<u>62,889</u>
EXPENDITURES				
Salaries and fringe benefits	174,097	169,191	4,906	161,933
Travel and furnished transportation	-	65	(65)	9
Professional fees	<u>472</u>	<u>471</u>	<u>1</u>	<u>472</u>
Total Expenditures	<u>174,569</u>	<u>169,727</u>	<u>4,842</u>	<u>162,414</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES				
	(111,681)	(106,839)	4,842	(99,525)
FUND BALANCE, SEPTEMBER 1, 2007				
	-	-	-	-
PRIOR PERIOD ADJUSTMENT				
	-	-	-	(14,301)
INTERFUND TRANSFER IN (OUT)				
	<u>111,681</u>	<u>111,681</u>	<u>-</u>	<u>113,826</u>
FUND BALANCE, AUGUST 31, 2008				
	<u>\$ -</u>	<u>\$ 4,842</u>	<u>\$ 4,842</u>	<u>\$ -</u>

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND PRIOR YEAR**

**DIVERSION TARGET GRANT PROGRAM
HIGH/MEDIUM REDUCTION CASELOAD**

FOR THE YEAR ENDED AUGUST 31, 2008

	Budget	Actual	Variance Favorable (Unfavorable)	Prior Year Actual
REVENUE				
State aid	\$ 339,864	\$ 339,864	\$ -	\$ 539,177
Total Revenue	339,864	339,864	-	539,177
EXPENDITURES				
Salaries and fringe benefits	485,374	478,362	7,012	484,566
Travel and furnished transportation	10,000	9,343	657	6,092
Professional fees	8,049	4,722	3,327	4,317
Total Expenditures	503,423	492,427	10,996	494,975
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(163,559)	(152,563)	10,996	44,202
FUND BALANCE, SEPTEMBER 1, 2007	44,202	44,202	-	-
INTERFUND TRANSFER IN (OUT)	163,559	163,559	-	-
PRIOR YEAR REFUND	-	(44,202)	(44,202)	-
FUND BALANCE, AUGUST 31, 2008	\$ 44,202	\$ 10,996	\$(33,206)	\$ 44,202

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND PRIOR YEAR**

TREATMENT ALTERNATIVES TO INCARCERATION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Prior Year Actual
REVENUE				
State aid	\$ 47,126	\$ 47,126	\$ -	\$ 32,513
Total Revenue	<u>47,126</u>	<u>47,126</u>	<u>-</u>	<u>32,513</u>
EXPENDITURES				
Contract services	39,825	39,484	341	40,067
Professional fees	<u>301</u>	<u>301</u>	<u>-</u>	<u>244</u>
Total Expenditures	<u>40,126</u>	<u>39,785</u>	<u>341</u>	<u>40,311</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	7,000	7,341	341	(7,798)
FUND BALANCE, SEPTEMBER 1, 2007	15,096	15,096	-	8,593
PRIOR YEAR REFUND	<u>-</u>	<u>(15,096)</u>	<u>(15,096)</u>	<u>14,301</u>
FUND BALANCE, AUGUST 31, 2008	<u>\$ 22,096</u>	<u>\$ 7,341</u>	<u>\$(14,755)</u>	<u>\$ 15,096</u>

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

**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statements include the revenue of the Collin County Community Supervision and Corrections Department related to the receipt of funds administered by the Community Justice Assistance Division from state appropriations for Diversion Target Grants, Community Corrections Program Funds, the Basic Supervision Fund, Treatment Alternatives to Incarceration Programs Funding, local fees collected for the use of the CSCD, and the expenditure of those funds.

Basis of Accounting

The accounts of the Collin County Community Supervision and Corrections Department are maintained on the modified accrual basis of accounting in accordance with CJAD financial reporting requirements. Under that method, revenue is recognized when it becomes both measurable and available, and expenditures are recognized when the related liability is incurred or when the purchase order is issued, if prior to year-end.

2. FUNDING SOURCES – STATE AID

Basic Supervision

This state funding is a per capita allocation based on statistics from the previous full calendar year. The per capita formula includes felony and misdemeanor direct cases as well as felony pretrial cases and is calculated by first allocating misdemeanor funding based on the number of misdemeanor placements of the previous calendar year times \$.70 per day for 182 days. Then, the felony allocation is based on the proportion of the state's felons under direct community supervision and the pretrial supervision for the previous calendar year times funds remaining. Basic Supervision is distributed only to CSCDs.

Government Code 509.011 authorizes TDCJ-CJAD to withhold Basic Supervision funds from CSCDs that have over six months of operating funds in their fund balance at the end of a biennium. TDCJ-CJAD may adopt policies permitting a CSCD to maintain reserves in amounts greater than otherwise permitted to cover certain costs. TDCJ-CJAD may distribute these unallocated funds to other CSCDs.

(continued)

2. FUNDING SOURCES – STATE AID (Continued)

Community Corrections Program Funds

Community Corrections Facility – The Community Corrections Program provides one of the most restrictive sanctions available, requiring a term of confinement either as a condition of community supervision or direct sentence. The offender is placed in a highly structured and supervised environment that encourages mental and physical discipline. The program is designed to protect the community, provide community service and to promote offender responsibility, physical and emotional maturity, self-awareness and rehabilitative services for successful reintegration into the community.

Enhanced Supervision – This program was established to assist offenders in becoming law-abiding, productive members of the community.

Diversion Program Grants

Mentally Impaired – This program is for individuals who may have one of the following disorders: bipolar disorder, schizophrenia, major depression, other adjustment disorders with a Global Assessment Functioning (GAF of five or below) or have met one of the following criteria: documented chronic unemployment problems due to a lack of vocational training and MI/MR issues, alcohol/drug abuse as a secondary issue, documented medication therapy through a mental health agency or other outpatient service.

Sex Offender Caseload – This program was established for individuals who meet the following criteria: 1) commission of an offense involving inappropriate sexual behavior or injury to a child; 2) inappropriate sexual behavior is suspected and there is supporting evidence; and 3) sexual behavior is the primary problem area.

Youthful Offender Caseload – This program could be ordered for individuals between the ages of 17 and 21 and who have had at least 2 prior arrests or a documentable problem in at least 2 of the following areas: unemployment, education, emotional stability, family issues, severe financial difficulties and alcohol/drug issues.

Substance Abuse Caseload – Individuals may be placed on this caseload for the following reasons: 1) one or more convictions for substance abuse related arrests; 2) alcohol/drug abuse is the primary problem area; 3) documented chronic unemployment problems due to substance abuse problem; 4) documented alcohol/drug dependency and offender is likely to respond; 5) seriousness of instant offense, i.e. involuntary manslaughter or failure to stop and render aid; and 6) alternative to incarceration.

High/Medium Reduction Caseload – This program provides funding to reduce overall caseload sizes to better allow officers to work more effectively on higher risk cases. The overall goal of the program is to reduce revocations.

(continued)

2. **FUNDING SOURCES – STATE AID (Continued)**

Treatment Alternatives to Incarceration Programs (TAIP) Funding

This Substance Abuse funding is awarded on a competitive basis. The priorities for distribution are determined biennially; however, TAIP grants are awarded annually. All requests are reviewed by TDCJ-CJAD staff and approved by management. CSCDs are the only entities eligible to TAIP funds.

3. **FUNDS COLLECTED BY THE CSCD FROM SOURCES OTHER THAN TDCJ-CJAD**

The Department does not utilize any funds collected from sources other than TDCJ-CJAD.

4. **EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL PROGRAMS**

The Department was over budget by \$6,485 for Contract Services in the Diversion Target Grant Program – Sex Offender. The deficit was covered by existing fund balances.

5. **INTERFUND RECEIVABLE AND PAYABLE**

None

SUPPLEMENTARY INFORMATION

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS**

BASIC SUPERVISION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2008

	Audit	Per CSCD Report	Difference
REVENUE			
State aid	\$ 1,315,283	\$ 1,315,283	\$ -
State aid: SAPPF	51,493	51,493	-
Community supervision fees	3,884,406	3,884,406	-
Payments by program participants	318,936	318,936	-
Interest income	165,545	165,545	-
Other revenue	63,885	63,885	-
Total Revenue	<u>5,799,548</u>	<u>5,799,548</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	4,462,042	4,462,042	-
Travel and furnished transportation	122,776	122,776	-
Contract services	17,367	17,367	-
Professional fees	83,032	83,032	-
Supplies and operating expenses	358,284	358,284	-
Facilities	1,215	1,215	-
Utilities	3,433	3,433	-
Equipment	6,941	6,941	-
Total Expenditures	<u>5,055,090</u>	<u>5,055,090</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	744,458	744,458	-
FUND BALANCE, SEPTEMBER 1, 2007	3,407,722	3,407,722	-
INTERFUND TRANSFER IN (OUT)	(53,858)	(53,858)	-
PRIOR YEAR REFUND	<u>(313,885)</u>	<u>(313,885)</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2008	<u>\$ 3,784,437</u>	<u>\$ 3,784,437</u>	<u>\$ -</u>

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS**

**COMMUNITY CORRECTIONS PROGRAM
COMMUNITY CORRECTIONS FACILITY**

FOR THE YEAR ENDED AUGUST 31, 2008

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 828,185	\$ 828,185	\$ -
Payments by program participants	33,068	33,068	-
Total Revenue	<u>861,253</u>	<u>861,253</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	175,739	175,739	-
Travel and furnished transportation	2,110	2,110	-
Contract services	222,222	222,222	-
Professional fees	5,926	5,926	-
Supplies and operating expenses	5,248	5,248	-
Total Expenditures	<u>411,245</u>	<u>411,245</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	450,008	450,008	-
FUND BALANCE, SEPTEMBER 1, 2007	278,839	278,839	-
INTERFUND TRANSFER IN (OUT)	(344,351)	(344,351)	-
PRIOR YEAR REFUND	<u>(278,839)</u>	<u>(278,839)</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2008	<u>\$ 105,657</u>	<u>\$ 105,657</u>	<u>\$ -</u>

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS**

**DIVERSION TARGET GRANT PROGRAM
MENTALLY IMPAIRED**

FOR THE YEAR ENDED AUGUST 31, 2008

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 42,553	\$ 42,553	\$ -
Total Revenue	<u>42,553</u>	<u>42,553</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	48,515	48,515	-
Professional fees	<u>319</u>	<u>319</u>	<u>-</u>
Total Expenditures	<u>48,834</u>	<u>48,834</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(6,281)	(6,281)	-
FUND BALANCE, SEPTEMBER 1, 2007	20	20	-
INTERFUND TRANSFER IN (OUT)	11,406	11,406	-
PRIOR YEAR REFUND	<u>(20)</u>	<u>(20)</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2008	<u>\$ 5,125</u>	<u>\$ 5,125</u>	<u>\$ -</u>

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS**

**DIVERSION TARGET GRANT PROGRAM
SEX OFFENDER**

FOR THE YEAR ENDED AUGUST 31, 2008.

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 74,787	\$ 74,787	\$ -
Total Revenue	<u>74,787</u>	<u>74,787</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	114,808	114,808	-
Contract services	31,795	31,795	-
Professional fees	561	561	-
Total Expenditures	<u>147,164</u>	<u>147,164</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(72,377)</u>	<u>(72,377)</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 1, 2007	-	-	-
INTERFUND TRANSFER IN (OUT)	<u>97,256</u>	<u>97,256</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2008	<u>\$ 24,879</u>	<u>\$ 24,879</u>	<u>\$ -</u>

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS**

**DIVERSION TARGET GRANT PROGRAM
YOUTHFUL OFFENDER**

FOR THE YEAR ENDED AUGUST 31, 2008

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 39,545	\$ 39,545	\$ -
Payments by program participants	60	60	-
Other revenue	<u>4,343</u>	<u>4,343</u>	-
Total Revenue	<u>43,948</u>	<u>43,948</u>	-
EXPENDITURES			
Salaries and fringe benefits	53,803	53,803	-
Professional fees	<u>296</u>	<u>296</u>	-
Total Expenditures	<u>54,099</u>	<u>54,099</u>	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(10,151)	(10,151)	-
FUND BALANCE, SEPTEMBER 1, 2007	1,448	1,448	-
INTERFUND TRANSFER IN (OUT)	14,307	14,307	-
PRIOR YEAR REFUND	<u>(1,448)</u>	<u>(1,448)</u>	-
FUND BALANCE, AUGUST 31, 2008	<u>\$ 4,156</u>	<u>\$ 4,156</u>	<u>\$ -</u>

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS**

**DIVERSION TARGET GRANT PROGRAM
SUBSTANCE ABUSE**

FOR THE YEAR ENDED AUGUST 31, 2008

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 62,888	\$ 62,888	\$ -
Total Revenue	<u>62,888</u>	<u>62,888</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	169,191	169,191	-
Travel	65	65	-
Professional fees	<u>471</u>	<u>471</u>	<u>-</u>
Total Expenditures	<u>169,727</u>	<u>169,727</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(106,839)	(106,839)	-
FUND BALANCE, SEPTEMBER 1, 2007	-	-	-
INTERFUND TRANSFER IN (OUT)	<u>111,681</u>	<u>111,681</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2008	<u>\$ 4,842</u>	<u>\$ 4,842</u>	<u>\$ -</u>

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS**

**DIVERSION TARGET GRANT PROGRAM
HIGH-MEDIUM REDUCTION CASELOAD**

FOR THE YEAR ENDED AUGUST 31, 2008

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 339,864	\$ 339,864	\$ -
Total Revenue	<u>339,864</u>	<u>339,864</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	478,362	478,362	-
Contract services	9,343	9,343	-
Professional fees	<u>4,722</u>	<u>4,722</u>	<u>-</u>
Total Expenditures	<u>492,427</u>	<u>492,427</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(152,563)	(152,563)	-
FUND BALANCE, SEPTEMBER 1, 2007	44,202	44,202	-
INTERFUND TRANSFER IN (OUT)	163,559	163,559	-
PRIOR YEAR REFUND	<u>(44,202)</u>	<u>(44,202)</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2008	\$ <u>10,996</u>	\$ <u>10,996</u>	\$ <u>-</u>

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS**

TREATMENT ALTERNATIVES TO INCARCERATION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2008

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 47,126	\$ 47,126	\$ -
Total Revenue	<u>47,126</u>	<u>47,126</u>	<u>-</u>
EXPENDITURES			
Contract services	39,484	39,484	-
Professional fees	<u>301</u>	<u>301</u>	<u>-</u>
Total Expenditures	<u>39,785</u>	<u>39,785</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	7,341	7,341	-
FUND BALANCE, SEPTEMBER 1, 2007	15,096	15,096	-
PRIOR YEAR REFUND	<u>(15,096)</u>	<u>(15,096)</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2008	<u>\$ 7,341</u>	<u>\$ 7,341</u>	<u>\$ -</u>

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**

Collin County Community Supervision
and Corrections Department
Collin County, Texas
Corsicana, Texas

We have audited the financial statements of the Collin County Community Supervision and Corrections Department, as of and for the year ended August 31, 2008, and have issued our report thereon dated March 25, 2009. 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 Collin County Community Supervision and Corrections 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 statements, 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Department's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

Compliance and Other Matters

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

This report is intended solely for the information of management, and others within the organization, Collin County Community Supervision and Corrections Department and the Texas Department of Criminal Justice, and is not intended to be and should not be used by anyone other than these specified parties.

Patillo, Brown & Hill, L.L.P.

March 25, 2009

**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2008

Findings:

None

**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

FISCAL YEAR 2008 TDCJ-CJAD COMPLIANCE CHECKLIST

FOR THE YEAR ENDED AUGUST 31, 2008

Indicate whether the following compliance requirements have been met by answering "Yes," "No," or "NA" (Not Applicable):

- Yes Separate accountability is to be maintained for TDCJ-CJAD funds.
- Yes Revenues and expenditures reported to TDCJ-CJAD are in agreement with, or reconcilable to, the funding recipient's accounting records and with audited expenditures in each budget category.
- Yes TDCJ-CJAD funds and locally generated revenue are expended in accordance with The Financial Management Manual for TDCJ-CJAD Funding, TDCJ-CJAD Funding and Fiscal Management Updates, TDCJ-CJAD Standards, TDCJ-CJAD Field Correspondence, TDCJ-CJAD Policy Statements, Standard and Special Grant Conditions, and applicable laws.
- Yes Proper cut-off procedures are to be observed at the end of each fiscal period. The cut-off date for revenue recognition and expenditure payments of FY 2008 is October 31, 2008. The modified accrual basis of accounting is used in preparing the fourth quarterly reports for submission to TDCJ-CJAD.
- N/A If the CSCD serves both juveniles and adults, expenditures that benefit both juveniles and adults are prorated on an equitable basis. Determination of the method of prorating such expenditures IS supported by adequate documentation.
- Yes TDCJ-CJAD funds are not used to pay judges' salaries, community justice council members' salaries, or other court-related expenses.
- Yes Expenditures and revenue are supported by adequate documentation.
- Yes If the CSCD determines that an increase or decrease in revenue or expenditures is required, budget adjustments are submitted to TDCJ-CJAD in accordance with fiscal guidelines.
- Yes Idle funds are invested according to Vernon's Texas Codes Annotated Local Government Code Section 140.003(f).
- Yes All employees with access to funds are covered by a surety bond.
- Yes Locally generated funds and other collections are documented with a proper receipt system.

- N/A All non-CJAD funded programs are expended in accordance with applicable limitations.
- Yes All equipment is physically inventoried and adequately supported with an inventory form. Surplus equipment is disposed of in accordance with TDCJ-CJAD guidelines.
- N/A Restitution funds are accounted for in accordance with Vernon's Texas Codes Annotated Government Code Section 76.013.
- Yes TDCJ-CJAD policies regarding contracts with vendors have been followed.
- N/A All leases have received TDCJ-CJAD approval prior to the expenditures of funds.
- Yes All purchases adhere to the requirements of the Vernon's Texas Codes Annotated Local Government Code Section 262.023 regarding competitive bids.
- Yes The CSCD has a policy in place to monitor vendor contract compliance and operates by the policy.
- Yes The CSCD has an existing policy on budget approval and operates by that policy.
- Yes The CSCD has a policy regarding eligibility for employee salary merit increases.