

**COLLIN COUNTY
COMMUNITY SUPERVISION AND
CORRECTIONS DEPARTMENT**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED
AUGUST 31, 2012**

WITH INDEPENDENT AUDITORS' REPORT

**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

YEAR ENDED AUGUST 31, 2012

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**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

YEAR ENDED AUGUST 31, 2012

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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, 2012, 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 *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 Texas Department of Criminal Justice – Community Justice Assistance Division’s (TDCJ-CJAD’s) 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, 2012, 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, 2012, 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 April 29, 2013, on our consideration of Collin County Community Supervision and Corrections Department's internal control structure over financial reporting and a report dated on April 29, 2013 on our tests of its compliance with certain provisions of laws and regulations, contracts, and 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 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 the management, others within the organization, the Collin County Community Supervision and Corrections 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.

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

April 29, 2013

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

COMBINED STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2012

	Basic Supervision	Community Corrections	Diversion Program	Treatment Alternative to Incarceration Program	Total
ASSETS					
Cash					
Bank balances	\$ 313,624	\$ 80,621	\$ 199,525	\$ 8,843	\$ 602,613
Time deposits	<u>3,325,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,325,316</u>
Total Cash	<u>3,638,940</u>	<u>80,621</u>	<u>199,525</u>	<u>8,843</u>	<u>3,927,929</u>
Accounts Receivable					
Supervision fees	252,725	-	-	-	252,725
Program participation fees	55,442	1,274	-	-	56,716
Other receivables	<u>1,229</u>	<u>161</u>	<u>623</u>	<u>-</u>	<u>2,013</u>
Total Accounts Receivable	<u>309,396</u>	<u>1,435</u>	<u>623</u>	<u>-</u>	<u>311,454</u>
Total Assets	<u>\$ 3,948,336</u>	<u>\$ 82,056</u>	<u>\$ 200,148</u>	<u>\$ 8,843</u>	<u>\$ 4,239,383</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ <u>194,282</u>	\$ <u>30,280</u>	\$ <u>37,513</u>	\$ <u>6,403</u>	\$ <u>268,478</u>
Total Liabilities	194,282	30,280	37,513	6,403	268,478
Fund Balance	<u>3,754,054</u>	<u>51,776</u>	<u>162,635</u>	<u>2,440</u>	<u>3,970,905</u>
Total Liabilities and Fund Balance	<u>\$ 3,948,336</u>	<u>\$ 82,056</u>	<u>\$ 200,148</u>	<u>\$ 8,843</u>	<u>\$ 4,239,383</u>

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

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

FOR THE YEAR ENDED AUGUST 31, 2012

	Basic Supervision	Community Corrections	Diversion Program	Treatment Alternative to Incarceration Program	Total
REVENUE					
State aid	\$ 1,581,575	\$ 729,570	\$ 497,429	\$ 40,126	\$ 2,848,700
State aid: SAFPF	19,783	-	-	-	19,783
Community supervision fees	3,247,395	-	-	-	3,247,395
Payments by program participants	673,603	15,358	-	-	688,961
Interest income	5,450	-	-	-	5,450
Other revenue	36,346	9,162	-	-	45,508
Total Revenue	<u>5,564,152</u>	<u>754,090</u>	<u>497,429</u>	<u>40,126</u>	<u>6,855,797</u>
EXPENDITURES					
Salaries and fringe benefits	4,212,071	193,101	841,058	-	5,246,230
Travel and furnished transportation	46,662	5,098	6,450	-	58,210
Contract services	93,071	260,403	42,295	37,385	433,154
Professional fees	84,628	5,540	6,689	301	97,158
Supplies and operating expenses	371,071	479	-	-	371,550
Utilities	3,846	-	-	-	3,846
Equipment	8,000	-	-	-	8,000
Total Expenditures	<u>4,819,349</u>	<u>464,621</u>	<u>896,492</u>	<u>37,686</u>	<u>6,218,148</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	744,803	289,469	(399,063)	2,440	637,649
FUND BALANCE, SEPTEMBER 1, 2011	3,333,771	-	-	-	3,333,771
INTERFUND TRANSFER IN (OUT)	(324,005)	(237,693)	561,698	-	-
PRIOR PERIOD ADJUSTMENT	(515)	-	-	-	(515)
FUND BALANCE, AUGUST 31, 2012	<u>\$ 3,754,054</u>	<u>\$ 51,776</u>	<u>\$ 162,635</u>	<u>\$ 2,440</u>	<u>\$ 3,970,905</u>

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

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

ALL DIVERSION GRANT PROGRAM FUNDS

FOR THE YEAR ENDED AUGUST 31, 2012

	Specialized Caseload- Mental Health Initiative	Specialized Caseload-Sex Offender	Specialized Caseload- Substance Abuse	High/Medium Risk Caseload Reduction	Total
REVENUE					
State aid	\$ 43,576	\$ 96,064	\$ 56,217	\$ 301,572	\$ 497,429
Total Revenue	43,576	96,064	56,217	301,572	497,429
EXPENDITURES					
Salaries and fringe benefits	57,787	144,041	130,964	508,266	841,058
Travel and furnished transportation	-	-	-	6,450	6,450
Contract services	-	42,295	-	-	42,295
Professional fees	327	720	422	5,220	6,689
Total Expenditures	58,114	187,056	131,386	519,936	896,492
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(14,538)	(90,992)	(75,169)	(218,364)	(399,063)
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-	-	-
INTERFUND TRANSFER IN (OUT)	21,888	130,605	115,526	293,679	561,698
FUND BALANCE, AUGUST 31, 2012	\$ 7,350	\$ 39,613	\$ 40,357	\$ 75,315	\$ 162,635

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

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

BASIC SUPERVISION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State aid	\$ 1,581,575	\$ 1,581,575	\$ -
State aid: SAFPF	34,000	19,783	(14,217)
Community supervision fees	2,600,000	3,247,395	647,395
Payments by program participants	229,000	673,603	444,603
Interest income	5,000	5,450	450
Other revenue	32,400	36,346	3,946
Total Revenue	4,481,975	5,564,152	1,082,177
EXPENDITURES			
Salaries and fringe benefits	5,314,083	4,212,071	1,102,012
Travel and furnished transportation	333,400	46,662	286,738
Contract services	225,450	93,071	132,379
Professional fees	347,862	84,628	263,234
Supplies and operating expenses	1,210,563	371,071	839,492
Facilities	2,500	-	2,500
Utilities	5,000	3,846	1,154
Equipment	116,000	8,000	108,000
Total Expenditures	7,554,858	4,819,349	2,735,509
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(3,072,883)	744,803	3,817,686
FUND BALANCE, SEPTEMBER 1, 2011	3,332,374	3,333,771	1,397
PRIOR PERIOD ADJUSTMENT	-	(515)	(515)
INTERFUND TRANSFER IN (OUT)	(259,491)	(324,005)	(64,514)
FUND BALANCE, AUGUST 31, 2012	\$ -	\$ 3,754,054	\$ 3,754,054

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

**COMMUNITY CORRECTIONS PROGRAM
COMMUNITY CORRECTIONS FACILITY - SCORE**

FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE			
State aid	\$ 729,570	\$ 729,570	\$ -
Payments by program participants	-	15,358	15,358
Other revenue	-	9,162	9,162
Total Revenue	<u>729,570</u>	<u>754,090</u>	<u>24,520</u>
EXPENDITURES			
Salaries and fringe benefits	215,750	193,101	22,649
Travel and furnished transportation	8,340	5,098	3,242
Contract services	249,724	260,403	(10,679)
Professional fees	10,099	5,540	4,559
Supplies and operating expenses	1,060	479	581
Total Expenditures	<u>484,973</u>	<u>464,621</u>	<u>20,352</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	244,597	289,469	44,872
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	<u>(244,597)</u>	<u>(237,693)</u>	<u>6,904</u>
FUND BALANCE, AUGUST 31, 2012	<u>\$ -</u>	<u>\$ 51,776</u>	<u>\$ 51,776</u>

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

**DIVERSION GRANT PROGRAM
SPECIALIZED CASELOAD-MENTAL HEALTH INITIATIVE**

FOR THE YEAR ENDED AUGUST 31, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State aid	\$ 43,576	\$ 43,576	\$ -
Total Revenue	43,576	43,576	-
EXPENDITURES			
Salaries and fringe benefits	62,027	57,787	4,240
Professional fees	327	327	-
Total Expenditures	62,354	58,114	4,240
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(18,778)	(14,538)	4,240
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	18,778	21,888	3,110
FUND BALANCE, AUGUST 31, 2012	\$ -	\$ 7,350	\$ 7,350

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

**DIVERSION GRANT PROGRAM
SPECIALIZED CASELOAD-SEX OFFENDER**

FOR THE YEAR ENDED AUGUST 31, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State aid	\$ 96,064	\$ 96,064	\$ -
Total Revenue	96,064	96,064	-
EXPENDITURES			
Salaries and fringe benefits	157,013	144,041	12,972
Travel and furnished transportation	5,876	-	5,876
Contract services	53,320	42,295	11,025
Professional fees	720	720	-
Total Expenditures	216,929	187,056	29,873
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(120,865)	(90,992)	29,873
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	120,865	130,605	9,740
FUND BALANCE, AUGUST 31, 2012	\$ -	\$ 39,613	\$ 39,613

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

**DIVERSION GRANT PROGRAM
SPECIALIZED CASELOAD-SUBSTANCE ABUSE**

FOR THE YEAR ENDED AUGUST 31, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State aid	\$ 56,217	\$ 56,217	\$ -
Total Revenue	56,217	56,217	-
EXPENDITURES			
Salaries and fringe benefits	158,851	130,964	27,887
Professional fees	2,320	422	1,898
Total Expenditures	161,171	131,386	29,785
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(104,954)	(75,169)	29,785
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	104,954	115,526	10,572
FUND BALANCE, AUGUST 31, 2012	\$ -	\$ 40,357	\$ 40,357

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

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

FOR THE YEAR ENDED AUGUST 31, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State aid	\$ 301,572	\$ 301,572	\$ -
Total Revenue	301,572	301,572	-
EXPENDITURES			
Salaries and fringe benefits	545,126	508,266	36,860
Travel and furnished transportation	8,375	6,450	1,925
Professional fees	7,562	5,220	2,342
Total Expenditures	561,063	519,936	41,127
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(259,491)	(218,364)	41,127
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	259,491	293,679	34,188
FUND BALANCE, AUGUST 31, 2012	\$ -	\$ 75,315	\$ 75,314

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

TREATMENT ALTERNATIVE TO INCARCERATION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State aid	\$ 40,126	\$ 40,126	\$ -
Total Revenue	40,126	40,126	-
EXPENDITURES			
Contract services	39,825	37,385	2,440
Professional fees	301	301	-
Total Expenditures	40,126	37,686	2,440
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	2,440	2,440
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
FUND BALANCE, AUGUST 31, 2012	\$ -	\$ 2,440	\$ 2,440

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

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**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statements include the revenue of the Collin County Community Supervision and Corrections Department (CSCD) related to the receipt of funds administered by the Community Justice Assistance Division of the Texas Department of Criminal Justice from State Appropriations for the Basic Supervision Fund, Community Corrections Program Funds, Diversion Program Grant Funds, Treatment Alternatives to Incarceration Program Grant Funds, local fees collected for the use of the CSCD, and the expenditures of those funds.

The Collin County Community Supervision and Corrections Department, a special purpose district of state government, was organized to provide certain adult probation services to judicial districts.

Basis of Accounting

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 Collin County CSCD are organized on the basis of fund accounting. Under fund accounting, each fund is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. 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. 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 for the current period. Revenues received by October 31, 2012 for financial activity performed by August 31, 2012, are considered available. Also purchases for which the commitment has been established by August 31, 2012, are considered liabilities regardless of whether possession of these goods has been received by August 31, 2012, provided that the liability purchase is received and is paid for by October 31, 2012. Exception to this method of accounting is the recording of refunds to the State as reductions of Fund Balance.

(continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Budgets (Accounting and Legal Compliance)

The budgets governing the funding to the programs are approved by the district judges and the criminal court-at-law judges with jurisdiction over the department in an open meeting and by the Texas Department of Criminal Justice - Community Justice Assistance Division. Only budget adjustment requests, at year end, received by September 28, 2012 will be reviewed and approved/disapproved by TDCJ-CJAD. TDCJ-CJAD will not accept any budget adjustments after September 28, 2012 for the previous fiscal year. Only budget adjustments approved by TDCJ-CJAD are referred to in performing the financial audit.

Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized. All encumbrances not liquidated by October 31, 2011 were subject to refund to the State when required. All encumbrances not liquidated by October 31, 2012 became part of the subsequent year's budget.

Compensated Absences

All vacation pay and compensatory time is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. A liability for these amounts is not recorded in these financial statements

2. **FUNDING SOURCES – STATE AID**

Basic Supervision Funds

This state funding is a per capita allocation based on statistics from the previous full calendar year. The per capita formula includes calendar year misdemeanor placements, direct felony and felony pre-trial cases. Funding is first allocated to misdemeanor placements for 182 days. The remaining funding is allocated to felons under community supervision and pretrial supervision based on the CSCD's share of the state total population of direct and pretrial felons. Basic Supervision is distributed only to CSCDs.

Government Code 509.011 authorizes TDCJ-CJAD to withhold Basic Supervision and Community Corrections funds from CSCDs that have over six (6) 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. Excess reserves, if applicable, shall reduce the Basic Supervision funding to affected CSCDs normally in the second year of the biennium. TDCJ-CJAD may distribute these unallocated funds to other CSCDs.

(continued)

2. FUNDING SOURCES – STATE AID (Continued)

Community Corrections Program Funds

This appropriation line item is allocation based. The funding is based on two equally assigned factors: the percentage of the state's population residing in the counties served by the Department and the percentage of all felony defendants in the state under direct community supervision by the Department. CSCDs are the only entities eligible for Community Corrections funds. The Texas Board of Criminal Justice rule, pursuant to Government Code, Chapter 509, Section 509.011 (f), creates a fixed 5% decrease limit between fiscal years. An upper limit is determined mathematically by available funding and the size and number of departments that reach the decrease limit. In the event that appropriations are inadequate to maintain all of the departments at the decrease limit, all allocations will be reduced proportionally relative to the previous fiscal year.

The Collin County Community Supervision and Corrections Department has the following program that falls under the Community Corrections Program:

- Community Corrections Facility - SCORE

The Community Corrections Facility 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.

Diversion Program Grant Funds

This discretionary appropriation line item funding is awarded on a competitive basis. The priorities for distribution are determined biennially. All requests are reviewed by TDCJ-CJAD staff, approved by management and then presented to the Judicial Advisory Council. Diversion Program funds shall not be used for Basic Supervision services.

The Collin County Community Supervision and Corrections Department has the following programs that fall under the Diversion Program:

- Specialized Caseload - Mental Health Initiative

The Specialized Caseload - Mental Health Initiative 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.

(continued)

2. FUNDING SOURCES – STATE AID (Continued)

Diversion Program Grant Funds (Continued)

- Specialized Caseload - Sex Offender

The Specialized Caseload - Sex Offender 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.

- Specialized Caseload - Substance Abuse

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 Risk Caseload Reduction

The High/Medium Risk Caseload Reduction 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.

- Substance Abuse Felony Punishment Facility (SAFPF) Funding

Aftercare caseloads are funded on a per case basis and must meet specific supervision requirements. Funding for SAFPF aftercare caseloads is allocated by TDCJ-CJAD through the Diversion Program line item but is budgeted and reported as state aid under Basic Supervision

Treatment Alternative to Incarceration Programs (TAIP) Grant Funds

This discretionary appropriation substance abuse funding is awarded on a competitive basis. The priorities for distribution are determined biennially. All requests are reviewed by TDCJ-CJAD staff, approved by management and then presented to the Judicial Advisory Council. TAIP funds shall not be used for Basic Supervision services. In accordance with Chapter 76 of the Government Code, TDCJ-CJAD establishes standards of operation for funding the CSCDs with the Treatment Alternative to Incarceration Program (TAIP). The Collin County Community Supervision and Corrections Department makes an annual application for grant funds from the Community Justice Assistance Division. As a part of the application process, the Department enters into a contract with the Community Justice Assistance Division. The contract places specific restrictions on the use of grant funds and requires, among other things, an annual audit of contract revenue and expenditures.

3. FUNDS COLLECTED BY THE CSCD FROM SOURCES OTHER THAN TDCJ-CJAD WHICH ARE REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS (community supervision fees collected, program participation fees collected, county contributions, donations, interest, commissions, etc.)

The Department utilized the following funds collected from sources other than TDCJ-CJAD which are required to be reported for the year ended August 31, 2012:

Source	Amount Received	Restrictions for Use	Accordance with Restrictions
Community Supervision Fees	\$ 3,247,395	<i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions	Yes
Payments by Program Participants	688,960	<i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions	Yes
Interest Income	5,451	<i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions	Yes
Other Revenue	45,508	<i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions	Yes

Locally generated revenues 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.

4. FUNDS COLLECTED BY THE CSCD FROM SOURCES OTHER THAN TDCJ-CJAD WHICH ARE NOT REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS (civil fees, victim restitution funds, federal grants, bond supervision funds, grants from sources other than TDCJ-CJAD, etc.)

Locally generated revenues 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.

(continued)

4. FUNDS COLLECTED BY THE CSCD FROM SOURCES OTHER THAN TDCJ-CJAD WHICH ARE NOT REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS (civil fees, victim restitution funds, federal grants, bond supervision funds, grants from sources other than TDCJ-CJAD, etc.)
(Continued)

The Department utilized the following funds collected from sources other than TDCJ-CJAD which are not required to be reported for the year ended August 31, 2012:

Source	Amount Received	Restrictions for Use	in Accordance with	Fund Balance at August 31, 2012
Victim restitution	\$ 1,135,373	Paid directly to victim within certain timelines	Yes	\$ -
Bond Supervision	204,509	CJAD-PS-09	Yes	-
Crimestoppers	65,998	Paid directly to County Treasurer	Yes	-
Supervision Fee for Sex Offenders	10,438	Paid directly to State Comptroller within certain timelines	Yes	-
Family Violence Shelter Center	6,715	Code of Criminal Procedure, Article 42.12, Section 11(h)	Yes	-
Children's Advocacy Center	1,310	Code of Criminal Procedure, Article 42.12, Section 11(g)	Yes	-
Attorney fees	15,710	Paid directly to County Treasurer	Yes	-
Court costs	48,435	Paid directly to County Treasurer	Yes	-
Fines	79,259	Paid directly to County Treasurer	Yes	-
Other court fees	5,160	Paid directly to County Treasurer	Yes	-

5. CASH, 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 operated in conjunction with or through the county depository by the CSCD. Collection accounts must be transferred to the CSCD district account within the time frames listed in Local Government Code 113.022. All CSCD funds must be in the county treasury and must be disbursed by the County Treasurer.

The Department does not maintain a petty cash account.

Idle funds to be invested, if any, shall only be within the depository of the county in a manner that protects the integrity of the principal and guarantees no loss of principal to the CSCD.

6. EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL PROGRAMS

The Department did not have any excess expenditures over \$15,000 or 15% of the approved line item budgeted amount.

7. ACCOUNTS AND INTERFUND TRANSFER RECEIVABLE AND PAYABLE AT AUGUST 31, 2012

There were no interfund receivable or payable balances at August 31, 2012.

8. VENDOR CONTRACTS FOR OFFENDER SERVICES

Vendors for offender service contracts with the County with a value of \$100,000 or above are listed below. The County has entered a valid contract or contracts with all vendors listed per the *Contract Management Manual for TDCJ-CJAD Funding of Offender Services (CMM)*.

	<u>August 31, 2012</u>
Treatment Assessment Screening Center, Inc.	\$ 260,000
Collin County Sheriff's Office - SCORE	<u>202,077</u>
	\$ <u>462,077</u>

9. COMMITMENTS AND CONTINGENCIES

The Department is contingently liable in respect to lawsuits and other claims in the ordinary course of its operations. The potential settlement (if any) of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and in the opinion of Department management would not materially affect the financial position of the Department at August 31, 2012.

10. PRIOR PERIOD ADJUSTMENTS

The Department had a prior period adjustment of \$515 in the Basic Supervision Program for an adjustment to FICA/Medicare expenditures for Fiscal Year 2011.

11. OTHER

The Department has no other notes as deemed appropriate for disclosure.

12. SUBSEQUENT EVENTS

The Department has no subsequent events that require disclosure.

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SUPPLEMENTARY INFORMATION

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS SENT TO TDCJ-CJAD**

BASIC SUPERVISION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 1,581,575	\$ 1,581,575	\$ -
State aid: SAFPF	19,783	19,783	-
Community supervision fees	3,247,395	3,247,395	-
Payments by program participants	673,603	673,603	-
Interest income	5,450	5,450	-
Other revenue	36,346	36,346	-
Total Revenue	<u>5,564,152</u>	<u>5,564,152</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	4,212,071	4,212,071	-
Travel and furnished transportation	46,662	46,662	-
Contract services	93,071	93,071	-
Professional fees	84,628	84,628	-
Supplies and operating expenses	371,071	371,071	-
Utilities	3,846	3,846	-
Equipment	8,000	8,000	-
Total Expenditures	<u>4,819,349</u>	<u>4,819,349</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	744,803	744,803	-
FUND BALANCE, SEPTEMBER 1, 2011	3,333,771	3,333,771	-
PRIOR PERIOD ADJUSTMENT	(515)	(515)	-
INTERFUND TRANSFER IN (OUT)	<u>(324,005)</u>	<u>(324,005)</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2012	<u>\$ 3,754,054</u>	<u>\$ 3,754,054</u>	<u>\$ -</u>

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS SENT TO TDCJ-CJAD**

**COMMUNITY CORRECTIONS PROGRAM
COMMUNITY CORRECTIONS FACILITY - SCORE**

FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 729,570	\$ 729,570	\$ -
Payments by program participants	15,358	15,358	-
Other Revenue	9,162	9,162	-
Total Revenue	<u>754,090</u>	<u>754,090</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	193,101	193,101	-
Travel and furnished transportation	5,098	5,098	-
Contract services	260,403	260,403	-
Professional fees	5,540	5,540	-
Supplies and operating expenses	479	479	-
Total Expenditures	<u>464,621</u>	<u>464,621</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	289,469	289,469	-
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	<u>(237,693)</u>	<u>(237,693)</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2012	<u>\$ 51,776</u>	<u>\$ 51,776</u>	<u>\$ -</u>

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS SENT TO TDCJ-CJAD**

**DIVERSION GRANT PROGRAM
SPECIALIZED CASELOAD-MENTAL HEALTH INITIATIVE**

FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 43,576	\$ 43,576	\$ -
Total Revenue	<u>43,576</u>	<u>43,576</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	57,787	57,787	-
Professional fees	<u>327</u>	<u>327</u>	<u>-</u>
Total Expenditures	<u>58,114</u>	<u>58,114</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(14,538)	(14,538)	-
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	<u>21,888</u>	<u>21,888</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2012	<u>\$ 7,350</u>	<u>\$ 7,350</u>	<u>\$ -</u>

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS SENT TO TDCJ-CJAD**

**DIVERSION GRANT PROGRAM
SPECIALIZED CASELOAD-SEX OFFENDER**

FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 96,064	\$ 96,064	\$ -
Total Revenue	<u>96,064</u>	<u>96,064</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	144,041	144,041	-
Contract services	42,295	42,295	-
Professional fees	<u>720</u>	<u>720</u>	<u>-</u>
Total Expenditures	<u>187,056</u>	<u>187,056</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(90,992)	(90,992)	-
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	<u>130,605</u>	<u>130,605</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2012	<u>\$ 39,613</u>	<u>\$ 39,613</u>	<u>\$ -</u>

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS SENT TO TDCJ-CJAD**

**DIVERSION GRANT PROGRAM
SPECIALIZED CASELOAD-SUBSTANCE ABUSE**

FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 56,217	\$ 56,217	\$ -
Total Revenue	<u>56,217</u>	<u>56,217</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	130,964	130,964	-
Professional fees	<u>422</u>	<u>422</u>	<u>-</u>
Total Expenditures	<u>131,386</u>	<u>131,386</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(75,169)	(75,169)	-
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	<u>115,526</u>	<u>115,526</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2012	<u>\$ 40,357</u>	<u>\$ 40,357</u>	<u>\$ -</u>

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS SENT TO TDCJ-CJAD**

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

FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 301,572	\$ 301,572	\$ -
Total Revenue	<u>301,572</u>	<u>301,572</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	508,267	508,267	-
Travel and furnished transportation	6,450	6,450	-
Professional fees	<u>5,220</u>	<u>5,220</u>	<u>-</u>
Total Expenditures	<u>519,937</u>	<u>519,937</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(218,365)	(218,365)	-
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	<u>293,679</u>	<u>293,679</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2012	<u>\$ 75,314</u>	<u>\$ 75,314</u>	<u>\$ -</u>

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS SENT TO TDCJ-CJAD**

TREATMENT ALTERNATIVE TO INCARCERATION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 40,126	\$ 40,126	\$ -
Total Revenue	<u>40,126</u>	<u>40,126</u>	<u>-</u>
EXPENDITURES			
Contract services	37,385	37,385	-
Professional fees	<u>301</u>	<u>301</u>	<u>-</u>
Total Expenditures	<u>37,686</u>	<u>37,686</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	2,440	2,440	-
FUND BALANCE, SEPTEMBER 1, 2011	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2012	<u>\$ 2,440</u>	<u>\$ 2,440</u>	<u>\$ -</u>

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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
McKinney, 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, 2012, and have issued our report thereon dated April 29, 2013. We conducted our audit in accordance with generally accepted auditing standards and the *Government Auditing Standards* issued by the Comptroller General of the United States.

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 grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. The tests performed provide sufficient, appropriate evidence to support the results of our testing. 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*.

Internal Control Over Financial Reporting

Management of Collin County Community Supervision and Corrections Department is responsible for establishing and maintaining effective 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 Collin County Community Supervision and Corrections Department's internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness.

Internal Control Over Financial Reporting (Continued)

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 condition in which the design or operation of one or more of the internal control components does not reduce the to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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.

This report is intended solely for the information and use of the management, others within the organization, Collin County Community Supervision and Corrections 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.

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

April 29, 2013

**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2012

Findings:

None

**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

FISCAL YEAR 2012 TDCJ-CJAD COMPLIANCE CHECKLIST

FOR THE YEAR ENDED AUGUST 31, 2012

Indicate whether these compliance requirements have been met by answering “Yes,” “No,” or “NA” (Not Applicable).

- Yes Is separate accountability maintained for TDCJ-CJAD funds; i.e., fund accounting? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are Revenues and Expenditures reported to TDCJ-CJAD in agreement with, or reconcilable to, the funding recipient’s accounting records and with audited expenditures in each budget category? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA Was an explanation given in the Notes to the financial statements for changes made to Revenues and Expenditures reported to TDCJ-CJAD? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are TDCJ-CJAD funds and locally generated revenues expended in accordance with the *Financial Management Manual for TDCJ-CJAD Funding (FMM)*, TDCJ-CJAD Standards, TDCJ-CJAD Field Correspondence, TDCJ-CJAD Policy Statements, Standard and Special Grant Conditions, and applicable laws? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are proper cutoff procedures observed at the end of each fiscal period? The cutoff date for revenues recognition and expenditures payments of FY 2012 is October 31, 2012.
- Yes Is the modified accrual basis of accounting used in preparing the fourth quarter reports for submission to TDCJ-CJAD? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA Are expenditures that benefit both juveniles and adults prorated on an equitable basis? Is determination of the method of prorating such expenditures supported by adequate documentation? (*FMM* Page 26) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. The CSCD is to provide a copy of the FY 2012 Time Study to TDCJ-CJAD along with the audit report.
- Yes Are TDCJ-CJAD funds not used to pay judges’ salaries (unless specifically approved by TDCJ-CJAD in a Program Budget; i.e., DWI Courts), community justice council members’ salaries, or other court-related expenses? If any of these salaries are paid, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are expenditures and revenues supported by adequate documentation? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

- Yes If the CSCD determines that an increase or decrease in revenue or expenditures is required, were budget adjustments submitted to TDCJ-CJAD, by September 28, 2012, and in accordance with the *Financial Management Manual for TDCJ-CJAD Funding*? (FMM Pages 8-10) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are idle funds, if any, invested? (FMM Page 7) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are all employees with access to funds covered by a surety bond? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are locally generated funds, and other collections, documented with a proper receipt system, and can they be traced to bank deposits and statements? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are all non-TDCJ-CJAD funded program fees expended in accordance with applicable limitations; i.e., civil fees, Federal grants, bond fees, etc.? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Is equipment physically inventoried and adequately supported with an inventory form?
- Yes Is surplus equipment disposed of in accordance with TDCJ-CJAD guidelines? (FMM Page 24) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are Victim Restitution Funds accounted for in accordance with Vernon's Texas Codes Annotated Government Code, Section 76.013, and are unclaimed funds tracked for the required five-year period prior to sending to the State Comptroller? (FMM Page 28) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Have TDCJ-CJAD policies regarding contracts with vendors been followed, which includes maintaining a Contract Monitoring Plan (policy) to monitor vendor payments and compliance with contracts? (CMM and Pages 9-10 of these Guidelines) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Does the CSCD have a policy regarding eligibility for employee salary merit increases, if merit or one-time increases are given? (FMM Page 46) If such increases are given without a written policy, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Do purchases adhere to the requirements of the Vernon's Texas Codes Annotated Local Government Code, Section 262.023, regarding competitive bids? (FMM Pages 35-36) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Does the CSCD have an existing policy on budget approval, operate by the policy, and the policy has been approved in an open meeting by the judges charged with oversight of the CSCD (Government Code, Section 76.002, and the *Financial Management Manual for TDCJ-CJAD Funding* (FMM Pages 8-10)). If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA If the CSCD allows offenders to pay a fee to a local food bank in lieu of performing community service restitution (CSR) work hours, does the CSCD have a written CSR Policy stating this fact?(TDCJ-CJAD Policy Statement No. CJAD-PS-08) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

- Yes Are all of the CSCD's funds and collections deposited in the county treasury within the time period required by Local Government Code 113.022 and disbursed by the county treasurer on behalf of the CSCD? (*FMM* Pages 7-8; Government Code, Section 509.011; Local Government Code, Section 140.003 (f); and Attorney General's Opinion DM-257, dated September 15, 1993) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA Are petty cash funds authorized by the county auditor or fiscal officer? (*FMM*, Pages 7-8, 20 and 34) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA Are petty cash funds used only for specific purposes for allowable items as listed in the *Financial Management Manual for TDCJ-CJAD Funding* and expended only for emergency situations authorized by a written policy and approved by the CSCD director? (*FMM*, Pages 7-8, 20 and 34) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA Are items that can reasonable be secured through the purchasing system not purchased from petty cash? (*FMM*, Pages 7-8 and 20) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are Personal Bond, Surety Bond, Bail and Certain Other Supervision expenses relating to CSCD employees supervising these cases paid from the administrative fees set in Article 76.015(c) of the Government Code, as amended; i.e., salaries, fringe benefits, travel, supplies, equipment, etc., paid from these fees? Are these expenses not being paid from state funds, including local fee collections, which are in the TDCJ-CJAD budgets? If a CSCD employee (or more than one employee whose cumulative time is not over 10% of one full-time equivalent position) spends no more than 10% of his/her time on the Bond/Other Supervision Program activities, separation of expenses is considered immaterial and is not required. However, all revenue generated from bond supervision fees must be accounted for separately in a local budget. Is this being properly captured? (*FMM* Pages 20-21 and TDCJ-CJAD Policy Statement No. CJAD-PS-09) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA 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. Was cash matching properly authorized, budgeted, and expended? (*FMM* Pages 21-22) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes The Texas Code of Criminal Procedure, Article 42.12, Section 19 (e) requires as a condition of probation that certain sex offenders pay \$5.00 per month per convicted offense during the period of supervision. These fees are in addition to court costs or any other fee imposed on the offender as court ordered. Are these fees collected and accounted for by the CSCD and remitted to the State Comptroller? (*FMM* Page 27) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA Article 42.12, Section 11 (a) (18), Code of Criminal Procedure authorizes the court to order a defendant, as a condition of community supervision, to reimburse the Crime Victims' Compensation Fund for any amounts paid from that fund to a victim of the defendant's offense or, if no reimbursement is required, make one payment to the fund in an amount not to exceed \$50 if the offense is a misdemeanor or not to exceed \$100 if the offense is a felony. If these fees were collected, were they remitted to the State Comptroller in compliance with the timelines outlined by the State Comptroller's Office? (*FMM* Pages 28-29) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

- Yes Were pretrial intervention fees properly collected and accounted for? (*FMM* Pages 28-29, Government Code, Section 76.015 (c), Texas Code of Criminal Procedure, Article 102.012) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Is there proper identification on motor vehicles that are issued exempt license plates? (*FMM* Pages 29-30, Transportation Code, Chapter 721) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Is the transactions' administrative fee, if collected, accounted for on a consistent basis? (*FMM* Page 30) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are payments to a Children's Advocacy Center properly collected and accounted for, if court ordered? (*FMM* Page 30, Code of Criminal Procedure, Article 42.12, Section 11 (g)) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are payments to a Family Violence Shelter Center properly collected and accounted for, if court ordered? (*FMM* Page 31, Code of Criminal Procedure, Article 42.12, Section 11 (h)) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Did the Fiscal Officer follow the applicable laws, guidelines, and duties as specified on Pages 31-35 of the *Financial Management Manual for TDCJ-CJAD Funding*? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes If there were negative fund balances in programs at fiscal year end, were they covered by interfund transfers as described in the *Financial Management Manual*? (*FMM* Pages 33-34) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Were purchasing laws followed as directed in accordance with the same procedures applicable to a county? (Texas Local Government Code 140.003, *FMM* Pages 3536) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Do action plans exist for all significant findings from previous audits, and are action plans current? (Chapter 4, Item 4.05, *Government Auditing Standards*) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- No Were any instances of fraud, non-compliance, waste, or abuse noted by the auditor (Chapter 4, Item 4.25, *Government Auditing Standards*)? If yes, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

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