

**COLLIN COUNTY  
COMMUNITY SUPERVISION AND  
CORRECTIONS DEPARTMENT**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED  
AUGUST 31, 2013**

**WITH INDEPENDENT AUDITORS' REPORT**

**COLLIN COUNTY  
COMMUNITY SUPERVISION  
AND CORRECTIONS DEPARTMENT**

**YEAR ENDED AUGUST 31, 2013**

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**COLLIN COUNTY  
COMMUNITY SUPERVISION  
AND CORRECTIONS DEPARTMENT**

**YEAR ENDED AUGUST 31, 2013**

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## INDEPENDENT AUDITORS' REPORT

Collin County Community  
Supervision and Corrections Department  
McKinney, Texas

### **Report on the Financial Statements**

We have audited the accompanying combined financial statements of the Collin County Community Supervision and Corrections Department, and the combining and individual funds of Collin County Community Supervision and Corrections Department as of and for the year ended August 31, 2013, and the related notes to the financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Texas Department of Criminal Justice – Community Justice Assistance Division (TDCJ-CJAD); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Collin County Community Supervision and Corrections Department, as of August 31, 2013, and the results of its operations for the year then ended, in conformity with the financial reporting provisions of the Texas Department of Criminal Justice – Community Justice Assistance Division (TDCJ-CJAD) as described in the notes to the financial statements. 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 Collin County Community Supervision and Corrections Department, as of August 31, 2013, and the results of operations of such funds for the year then ended in conformity with the financial reporting provisions of the Texas Department of Criminal Justice – Community Justice Assistance Division (TDCJ-CJAD) as described in the notes to the financial statements.

### ***Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provision of the Texas Department of Criminal Justice – Community Justice Assistance Division (TDCJ-CJAD), which is a basis of accounting other than accounting principles generally, accepted in the United States of America, to comply with the requirements of the Texas Department of Criminal Justice – Community Justice Assistance Division (TDCJ-CJAD). Our opinion is not modified with respect to that matter.

### ***Emphasis of Matter***

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.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 24, 2014 on our consideration of Collin County Community Supervision and Corrections Department's internal control structure over financial reporting and a report dated March 24, 2014 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* in considering Collin County Community Supervision and Corrections Department's internal control over financial reporting and compliance.

### Restriction on Use

This report is intended solely for the information and use of the management, 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.

*Pattillo, Brown & Hill, LLP*

Waco, Texas  
March 24, 2014

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**COLLIN COUNTY COMMUNITY SUPERVISION  
AND CORRECTIONS DEPARTMENT**

**COMBINED STATEMENT OF FINANCIAL POSITION**

**AUGUST 31, 2013**

	Basic Supervision	Community Corrections	Diversion Program	Treatment Alternative to Incarceration Program	Total
<b>ASSETS</b>					
Cash	\$ 3,101,683	\$ 185,585	\$ 405,705	\$ 53,449	\$ 3,746,422
Accounts Receivable					
Supervision fees	268,706	-	-	-	268,706
Program participation fees	54,195	783	-	-	54,978
Other receivables	5,055	-	548	-	5,603
Total Accounts Receivable	327,956	783	548	-	329,287
Total Assets	\$ 3,429,639	\$ 186,368	\$ 406,253	\$ 53,449	\$ 4,075,709
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities					
Accounts payable	216,897	29,125	36,335	10,285	292,642
Due to County	-	2,124	-	-	2,124
Due to TDCJ-CJAD	-	155,119	369,918	43,164	568,201
Total Liabilities	216,897	186,368	406,253	53,449	862,967
Fund Balance	3,212,742	-	-	-	3,212,742
Total Liabilities and Fund Balance	\$ 3,429,639	\$ 186,368	\$ 406,253	\$ 53,449	\$ 4,075,709

**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, 2013**

	Basic Supervision	Community Corrections	Diversion Program	Treatment Alternative to Incarceration Program	Total
<b>REVENUE</b>					
State aid	\$ 739,166	\$ 760,125	\$ 497,429	\$ 100,126	\$ 2,096,846
State aid: SAFPF	8,086	-	-	-	8,086
Community supervision fees	3,249,177	-	-	-	3,249,177
Payments by program participants	685,026	17,684	-	-	702,710
Interest income	6,725	-	-	-	6,725
Other revenue	65,168	6,865	-	-	72,033
Total Revenue	4,753,348	784,674	497,429	100,126	6,135,577
<b>EXPENDITURES</b>					
Salaries and fringe benefits	4,265,330	173,521	861,747	-	5,300,597
Travel and furnished transportation	58,504	2,397	4,799	-	65,700
Contract services	76,689	248,362	48,060	58,651	431,762
Professional fees	36,048	6,076	3,831	751	46,706
Supplies and operating expenses	409,787	2,112	-	-	411,899
Utilities	3,033	-	-	-	3,033
Equipment	59,707	6,134	-	-	65,841
Total Expenditures	4,909,098	438,602	918,437	59,402	6,325,538
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	( 155,750)	346,072	( 421,008)	40,724	( 189,962)
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>	3,754,054	51,776	162,635	2,440	3,970,905
<b>INTERFUND TRANSFER IN (OUT)</b>	( 385,562)	( 242,729)	628,291	-	-
<b>FUND BALANCE BEFORE REFUND TO CJAD</b>	3,212,742	155,119	369,918	43,164	3,780,943
<b>REFUND DUE TO CJAD</b>	-	( 155,119)	( 369,918)	( 43,164)	( 568,201)
<b>FUND BALANCE, AUGUST 31, 2013</b>	\$ 3,212,742	\$ -	\$ -	\$ -	\$ 3,212,742

**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, 2013**

	Specialized Caseload- Mental Health Initiative	Specialized Caseload-Sex Offender	Specialized Caseload- Substance Abuse	High/Medium Risk Caseload Reduction	Total
<b>REVENUE</b>					
State aid	\$ 43,576	\$ 96,064	\$ 56,217	\$ 301,572	\$ 497,429
Total Revenue	<u>43,576</u>	<u>96,064</u>	<u>56,217</u>	<u>301,572</u>	<u>497,429</u>
<b>EXPENDITURES</b>					
Salaries and fringe benefits	92,129	140,623	147,347	481,648	861,747
Travel and furnished transportation	-	9	11	4,779	4,799
Contract services	-	48,060	-	-	48,060
Professional fees	327	720	422	2,362	3,831
Total Expenditures	<u>92,456</u>	<u>189,412</u>	<u>147,780</u>	<u>488,789</u>	<u>918,437</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	( 48,880)	( 93,348)	( 91,563)	( 187,217)	( 421,008)
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>	7,350	39,613	40,357	75,315	162,635
<b>INTERFUND TRANSFER IN (OUT)</b>	<u>75,771</u>	<u>130,605</u>	<u>117,918</u>	<u>303,997</u>	<u>628,291</u>
<b>FUND BALANCE BEFORE REFUND TO CJAD</b>	34,241	76,870	66,712	192,095	369,918
<b>REFUND TO CJAD</b>	<u>( 34,241)</u>	<u>( 76,870)</u>	<u>( 66,712)</u>	<u>( 192,095)</u>	<u>( 369,918)</u>
<b>FUND BALANCE, AUGUST 31, 2013</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
State aid	\$ 739,166	\$ 739,166	\$ -
State aid: SAFFP	34,000	8,086	( 25,914)
Community supervision fees	3,019,929	3,249,177	229,248
Payments by program participants	479,200	685,026	205,826
Interest income	5,000	6,725	1,725
Other revenue	62,400	65,168	2,768
Total Revenue	4,339,695	4,753,348	413,653
<b>EXPENDITURES</b>			
Salaries and fringe benefits	5,361,096	4,265,330	1,095,766
Travel and furnished transportation	342,586	58,504	284,082
Contract services	234,150	76,689	157,461
Professional fees	291,544	36,048	255,496
Supplies and operating expenses	1,405,161	409,787	995,374
Utilities	3,550	3,033	517
Equipment	70,100	59,707	10,393
Total Expenditures	7,708,187	4,909,098	2,799,089
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>			
	( 3,368,492)	( 155,750)	3,212,742
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>			
	3,754,054	3,754,054	-
<b>INTERFUND TRANSFER IN (OUT)</b>			
	( 385,562)	( 385,562)	-
<b>FUND BALANCE, AUGUST 31, 2013</b>			
	\$ -	\$ 3,212,742	\$ 3,212,742

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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, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
State aid	\$ 760,125	\$ 760,125	\$ -
Payments by program participants	-	17,684	17,684
Other revenue	-	6,865	6,865
Total Revenue	760,125	784,674	24,549
<b>EXPENDITURES</b>			
Salaries and fringe benefits	218,358	173,521	44,837
Travel and furnished transportation	8,340	2,397	5,943
Contract services	261,724	248,362	13,362
Professional fees	12,828	6,076	6,752
Supplies and operating expenses	57,422	2,112	55,310
Equipment	10,500	6,134	4,366
Total Expenditures	569,172	438,602	130,570
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	190,953	346,072	155,119
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>	51,776	51,776	-
<b>INTERFUND TRANSFER IN (OUT)</b>	( 242,729)	( 242,729)	-
<b>FUND BALANCE BEFORE REFUND TO CJAD</b>	-	155,119	155,119
<b>REFUND DUE TO CJAD</b>	-	( 155,119)	( 155,119)
<b>FUND BALANCE, AUGUST 31, 2013</b>	\$ -	\$ -	\$ -

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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, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
State aid	\$ 43,576	\$ 43,576	\$ -
Total Revenue	43,576	43,576	-
<b>EXPENDITURES</b>			
Salaries and fringe benefits	119,020	92,129	26,891
Professional fees	327	327	-
Supplies and operating expenses	7,350	-	7,350
Total Expenditures	126,697	92,456	34,241
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	( 83,121)	( 48,880)	34,241
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>	7,350	7,350	-
<b>INTERFUND TRANSFER IN (OUT)</b>	75,771	75,771	-
<b>FUND BALANCE BEFORE REFUND TO CJAD</b>	-	34,241	34,241
<b>REFUND DUE TO CJAD</b>	-	( 34,241)	( 34,241)
<b>FUND BALANCE, AUGUST 31, 2013</b>	\$ -	\$ -	\$ -

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**

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

**FOR THE YEAR ENDED AUGUST 31, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
State aid	\$ 96,064	\$ 96,064	\$ -
Total Revenue	96,064	96,064	-
<b>EXPENDITURES</b>			
Salaries and fringe benefits	165,384	140,623	24,761
Travel and furnished transportation	7,245	9	7,236
Contract services	53,320	48,060	5,260
Professional fees	720	720	-
Supplies and operating expenses	39,613	-	39,613
Total Expenditures	266,282	189,412	76,870
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	( 170,218)	( 93,348)	76,870
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>	39,613	39,613	-
<b>INTERFUND TRANSFER IN (OUT)</b>	130,605	130,605	-
<b>FUND BALANCE BEFORE REFUND TO CJAD</b>	-	76,870	76,870
<b>REFUND DUE TO CJAD</b>	-	( 76,870)	( 76,870)
<b>FUND BALANCE, AUGUST 31, 2013</b>	\$ -	\$ -	\$ -

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**

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

**FOR THE YEAR ENDED AUGUST 31, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
State aid	\$ 56,217	\$ 56,217	\$ -
Total Revenue	56,217	56,217	-
<b>EXPENDITURES</b>			
Salaries and fringe benefits	167,436	147,347	20,089
Travel and furnished transportation	-	11	( 11)
Supplies and operating expenses	40,357	-	40,357
Professional fees	6,699	422	6,277
Total Expenditures	214,492	147,780	66,712
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	( 158,275)	( 91,563)	66,712
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>	40,357	40,357	-
<b>INTERFUND TRANSFER IN (OUT)</b>	117,918	117,918	-
<b>FUND BALANCE BEFORE REFUND TO CJAD</b>	-	66,712	66,712
<b>REFUND DUE TO CJAD</b>	-	( 66,712)	( 66,712)
<b>FUND BALANCE, AUGUST 31, 2013</b>	\$ -	\$ -	\$ -

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**

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

**FOR THE YEAR ENDED AUGUST 31, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
State aid	\$ 301,572	\$ 301,572	\$ -
Total Revenue	301,572	301,572	-
<b>EXPENDITURES</b>			
Salaries and fringe benefits	589,632	481,648	107,984
Travel and furnished transportation	8,375	4,779	3,596
Professional fees	7,562	2,362	5,200
Supplies	75,314	-	75,314
Total Expenditures	680,883	488,789	192,094
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	( 379,311)	( 187,217)	192,094
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>	75,314	75,315	1
<b>INTERFUND TRANSFER IN (OUT)</b>	303,997	303,997	-
<b>FUND BALANCE BEFORE REFUND TO CJAD</b>	-	192,095	192,095
<b>REFUND DUE TO CJAD</b>	-	( 192,095)	( 192,095)
<b>FUND BALANCE, AUGUST 31, 2013</b>	\$ -	\$ -	\$ -

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**

**TREATMENT ALTERNATIVE TO INCARCERATION PROGRAM**

**FOR THE YEAR ENDED AUGUST 31, 2013**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
State aid	\$ 100,126	\$ 100,126	\$ -
Total Revenue	<u>100,126</u>	<u>100,126</u>	<u>-</u>
<b>EXPENDITURES</b>			
Contract services	101,815	58,651	43,164
Professional fees	751	751	-
Total Expenditures	<u>102,566</u>	<u>59,402</u>	<u>43,164</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	( 2,440)	40,724	43,164
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>	<u>2,440</u>	<u>2,440</u>	<u>-</u>
<b>FUND BALANCE BEFORE REFUND DUE TO CJAD</b>	-	43,164	43,164
<b>REFUND TO CJAD</b>	<u>-</u>	<u>( 43,164)</u>	<u>( 43,164)</u>
<b>FUND BALANCE, AUGUST 31, 2013</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2013**

**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, 2013 for financial activity performed by August 31, 2013, are considered available. Also purchases for which the commitment has been established by August 31, 2013, are considered liabilities regardless of whether possession of these goods has been received by August 31, 2013, provided that the liability purchase is received and is paid for by October 31, 2013. Exception to this method of accounting is the recording of refunds to the State as reductions of Fund Balance.

## **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 30, 2013 will be reviewed and approved/disapproved by TDCJ-CJAD. TDCJ-CJAD will not accept any budget adjustments after September 30, 2013 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, 2012 were subject to refund to the State when required. All encumbrances not liquidated by October 31, 2013 became part of the subsequent year's budget.

## **Compensated Absences**

A liability for vacation pay and compensatory time 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. The CSCD's balance of earned but unused compensated absences as of August 31, 2013, was \$464,486.

## **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.

## **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.

- 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, 2013:

Source	Amount Received	Restrictions for Use	Accordance with Restrictions
Community Supervision Fees	\$ 3,249,177	<i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions	Yes
Payments by Program Participants	702,710	<i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions	Yes
Interest Income	6,725	<i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions	Yes
Administrative Welfare Restitution and Restitution Fees	60,433	<i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions	Yes
	4,735	<i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions	Yes
Other revenue	6,865	<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.)**

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, 2013:

Source	Amount Received	Restrictions for Use	Expended in Accordance with Restrictions	Fund Balance at August 31, 2013
Victim restitution	\$ 1,198,069	Government Code 73.013, paid directly to victim within certain timelines	Yes	\$ -
Bond Supervision	104,565	Article 17.40 of the Code of Criminal Procedure \ Senate Bill (SB) 880 in the 82nd Legislature	Yes	-
Crimestoppers	104,737	Local Government Code, Chapter 113, Section 113.022	Yes	-
Supervision Fee for Sex Offenders	11,160	Article 42.12, Section 19(f) of the Code of Criminal Procedure	Yes	-
Family Violence Shelter Center	10,350	Code of Criminal Procedure, Article 42.12, Section 11(h)	Yes	-
Children's Advocacy Center	4,841	Code of Criminal Procedure, Article 42.12, Section 11(g)	Yes	-
Attorney fees	16,303	Local Government Code, Chapter 113, Section 113.022	Yes	-
Court costs	31,239	Local Government Code, Chapter 113, Section 113.023	Yes	-
Fines	53,606	Local Government Code, Chapter 113, Section 113.024	Yes	-
Deferred Prosecution	138,950	Local Government Code, Chapter 113, Section 113.025	Yes	-
Forgery	995	Local Government Code, Chapter 113, Section 113.026	Yes	-
Sheriff Service Fee	2,331	Local Government Code, Chapter 113, Section 113.027	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.

**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, 2013**

There were no interfund receivable or payable balances at August 31, 2013. There were general accounts payable and receivable balances at August 31, 2013.

**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, 2013</u>
Treatment Assessment Screening Center, Inc.	\$ 312,357
Collin County Sheriff's Office - SCORE	<u>187,307</u>
	\$ <u>499,664</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, 2013.

**10. PRIOR PERIOD ADJUSTMENTS AND REFUNDS**

There were no prior period adjustments or refunds made during the year.

**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, 2013**

	Audit	Per CSCD Report	Difference
<b>REVENUE</b>			
State aid	\$ 739,166	\$ 739,166	\$ -
State aid: SAFPF	8,086	8,086	-
Community supervision fees	3,249,177	3,249,177	-
Payments by program participants	685,026	685,026	-
Interest income	6,725	6,725	-
Other revenue	65,168	65,168	-
Total Revenue	4,753,348	4,753,348	-
<b>EXPENDITURES</b>			
Salaries and fringe benefits	4,265,330	4,265,330	-
Travel and furnished transportation	58,504	58,504	-
Contract services	76,689	76,689	-
Professional fees	36,048	36,048	-
Supplies and operating expenses	409,787	409,787	-
Utilities	3,033	3,033	-
Equipment	59,707	59,707	-
Total Expenditures	4,909,098	4,909,098	-
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	( 155,750)	( 155,750)	-
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>	3,754,054	3,754,054	-
<b>INTERFUND TRANSFER IN (OUT)</b>	( 385,562)	( 385,562)	-
<b>FUND BALANCE, AUGUST 31, 2013</b>	\$ 3,212,742	\$ 3,212,742	\$ -

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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, 2013**

	Audit	Per CSCD Report	Difference
<b>REVENUE</b>			
State aid	\$ 760,125	\$ 760,125	\$ -
Payments by program participants	17,684	17,684	-
Other revenue	6,865	6,865	-
Total Revenue	784,674	784,674	-
<b>EXPENDITURES</b>			
Salaries and fringe benefits	173,521	173,521	-
Travel and furnished transportation	2,397	2,397	-
Contract services	248,362	248,362	-
Professional fees	6,076	6,076	-
Supplies and operating expenses	2,112	2,112	-
Equipment	6,134	6,134	-
Total Expenditures	438,602	438,602	-
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	346,072	346,072	-
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>	51,776	51,776	-
<b>INTERFUND TRANSFER IN (OUT)</b>	( 242,729)	( 242,729)	-
<b>FUND BALANCE BEFORE REFUND TO CJAD</b>	155,119	155,119	-
<b>REFUND DUE TO CJAD</b>	( 155,119)	( 155,119)	-
<b>FUND BALANCE, AUGUST 31, 2013</b>	\$ -	\$ -	\$ -

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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, 2013**

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
<b>REVENUE</b>			
State aid	\$ 43,576	\$ 43,576	\$ -
Total Revenue	<u>43,576</u>	<u>43,576</u>	<u>-</u>
<b>EXPENDITURES</b>			
Salaries and fringe benefits	92,129	92,129	-
Professional fees	327	327	-
Total Expenditures	<u>92,456</u>	<u>92,456</u>	<u>-</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	( 48,880)	( 48,880)	-
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>	7,350	7,350	-
<b>INTERFUND TRANSFER IN (OUT)</b>	<u>75,771</u>	<u>75,771</u>	<u>-</u>
<b>FUND BALANCE BEFORE REFUND TO CJAD</b>	34,241	34,241	-
<b>REFUND DUE TO CJAD</b>	<u>( 34,241)</u>	<u>( 34,241)</u>	<u>-</u>
<b>FUND BALANCE, AUGUST 31, 2013</b>	<u>\$ -</u>	<u>\$ -</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, 2013**

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
<b>REVENUE</b>			
State aid	\$ 96,064	\$ 96,064	\$ -
Total Revenue	<u>96,064</u>	<u>96,064</u>	<u>-</u>
<b>EXPENDITURES</b>			
Salaries and fringe benefits	140,623	140,623	-
Travel and furnished transportation	9	9	-
Contract services	48,060	48,060	-
Professional fees	<u>720</u>	<u>720</u>	<u>-</u>
Total Expenditures	<u>189,412</u>	<u>189,412</u>	<u>-</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	( 93,348)	( 93,348)	-
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>	39,613	39,613	-
<b>INTERFUND TRANSFER IN (OUT)</b>	<u>130,605</u>	<u>130,605</u>	<u>-</u>
<b>FUND BALANCE BEFORE REFUND TO CJAD</b>	76,870	76,870	-
<b>REFUND DUE TO CJAD</b>	<u>( 76,870)</u>	<u>( 76,870)</u>	<u>-</u>
<b>FUND BALANCE, AUGUST 31, 2013</b>	<u>\$ -</u>	<u>\$ -</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, 2013**

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
<b>REVENUE</b>			
State aid	\$ 56,217	\$ 56,217	\$ -
Total Revenue	<u>56,217</u>	<u>56,217</u>	<u>-</u>
<b>EXPENDITURES</b>			
Salaries and fringe benefits	147,347	147,347	-
Travel and furnished transportation	11	11	-
Professional fees	<u>422</u>	<u>422</u>	<u>-</u>
Total Expenditures	<u>147,780</u>	<u>147,780</u>	<u>-</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	( 91,563)	( 91,563)	-
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>	40,357	40,357	-
<b>INTERFUND TRANSFER IN (OUT)</b>	<u>117,918</u>	<u>117,918</u>	<u>-</u>
<b>FUND BALANCE BEFORE REFUND TO CJAD</b>	66,712	66,712	-
<b>REFUND DUE TO CJAD</b>	<u>( 66,712)</u>	<u>( 66,712)</u>	<u>-</u>
<b>FUND BALANCE, AUGUST 31, 2013</b>	<u>\$ -</u>	<u>\$ -</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, 2013**

	Audit	Per CSCD Report	Difference
<b>REVENUE</b>			
State aid	\$ 301,572	\$ 301,572	\$ -
Total Revenue	301,572	301,572	-
<b>EXPENDITURES</b>			
Salaries and fringe benefits	481,648	481,648	-
Travel and furnished transportation	4,779	4,779	-
Professional fees	2,362	2,362	-
Total Expenditures	488,789	488,789	-
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	( 187,217)	( 187,217)	-
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>	75,315	75,315	-
<b>INTERFUND TRANSFER IN (OUT)</b>	303,997	303,997	-
<b>FUND BALANCE BEFORE REFUND TO CJAD</b>	192,095	192,095	-
<b>REFUND DUE TO TDCJ-CJAD</b>	( 192,095)	( 192,095)	-
<b>FUND BALANCE, AUGUST 31, 2013</b>	\$ -	\$ -	\$ -

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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, 2013**

	Audit	Per CSCD Report	Difference
<b>REVENUE</b>			
State aid	\$ 100,126	\$ 100,126	\$ -
Total Revenue	100,126	100,126	-
<b>EXPENDITURES</b>			
Contract services	58,651	58,651	-
Professional fees	751	751	-
Total Expenditures	59,402	59,402	-
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	40,724	40,724	-
<b>FUND BALANCE, SEPTEMBER 1, 2012</b>	2,440	2,440	-
<b>FUND BALANCE BEFORE REFUND TO CJAD</b>	43,164	43,164	-
<b>REFUND DUE TO TDCJ-CJAD</b>	( 43,164)	( 43,164)	-
<b>FUND BALANCE, AUGUST 31, 2013</b>	\$ -	\$ -	\$ -

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# **COMPLIANCE SECTION**

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PATTILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' 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  
McKinney, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Collin County Community Supervision and Corrections Department, as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise of the Collin County Community Supervision and Corrections Department's financial statements, and have issued our report thereon dated March 24, 2014.

**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 (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Collin County Community Supervision and Corrections Department's internal control. Accordingly, we do not express an opinion on the effectiveness of Collin County Community Supervision and Corrections Department's internal control.

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

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **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 provision of laws, regulations, contracts and grants, 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Collin County Community Supervision and Corrections Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Collin County Community Supervision and Corrections Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Pattillo, Brown & Hill, LLP*

Waco, Texas  
March 24, 2014

**COLLIN COUNTY  
COMMUNITY SUPERVISION  
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED AUGUST 31, 2013**

**Findings:**

None

**COLLIN COUNTY  
COMMUNITY SUPERVISION  
AND CORRECTIONS DEPARTMENT**

**FISCAL YEAR 2013 TDCJ-CJAD COMPLIANCE CHECKLIST**

**FOR THE YEAR ENDED AUGUST 31, 2013**

- 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 Responses.
- 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 Responses.
- 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 Responses.
- Yes Are proper cutoff procedures observed at the end of each fiscal period? The cutoff date for revenues recognition and expenditures payments of FY 2013 is October 31, 2013.
- 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 Responses.
- 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 Responses.
- 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 Responses.
- 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 Responses.
- 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 Responses.
- 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 Responses.

- 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 Financial Statements and include in the Schedule of Findings and Responses.
- 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 Responses.
- Yes Were purchasing laws followed as directed in accordance with the same procedures applicable to a county? (Texas Local Government Code Section 140.003 and Chapter 262, *FMM* Pages 35-36) If not, explain in the Notes to the Financial Statements or in the Financial Statements or in the Schedule of Findings and Responses.
- Yes Were there no instances of fraud, non-compliance, waste, or abuse noted by the auditor (Chapter 4, Item 4.25, *Government Auditing Standards*)? If no, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- 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 Responses.
- Yes Is equipment physically inventoried and adequately supported with an inventory form?
- N/A Was an explanation given in the Schedule of Differences for any changes made to Revenues and Expenditures as reported to TDCJ-CJAD? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- N/A 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 Responses. The CSCD is to provide a copy of the FY 2013 Time Study to TDCJ-CJAD along with the audit report.
- 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 30, 2013**, 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 Responses.
- 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 Responses.
- 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 Responses.
- 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 Responses.
- Yes Are Victims 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 Responses.

- Yes Have TDCJ-CJAD policies regarding contracts with vendors been followed, which included maintaining a Contract Monitoring Plan (policy) to monitor vendor payments and compliance with contracts? (CMM and Pages 10-11 of these Guidelines) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- 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 Responses.
- N/A If the CSCD allows offenders to pay a fee to 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-PF-08) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- N/A 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 Responses.
- N/A 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 the 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 Responses.
- N/A 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 Responses.
- 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 who 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 Financial Statements or in the Financial Statements or in the Schedule of Findings and Responses.
- N/A With prior TDCJ-CJAD approval, CSCDs may use Basic Supervision, CC, DP, or TAIP fund 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 Responses.
- 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 offenders 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 BSBD 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 Responses.

- N/A 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 Responses.
- Yes Were pretrial intervention fees properly collected and accounted for? (*FMM*, Pages 28-29) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- 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 Statement or in the Schedule of Findings and Responses.
- Yes Is the transactions' administrative fee, if collected, accounted for on a consistent basis? (*FMM*, Page 30) If not, explain in the Notes to Financial Statements or in the Schedule of Findings and Responses.
- N/A 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 Responses.
- N/A 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 Responses.

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