

**COLLIN COUNTY
COMMUNITY SUPERVISION AND
CORRECTIONS DEPARTMENT**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED
AUGUST 31, 2015**

WITH INDEPENDENT AUDITORS' REPORT

**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

YEAR ENDED AUGUST 31, 2015

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**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

YEAR ENDED AUGUST 31, 2015

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

INDEPENDENT AUDITORS' REPORT

Collin County Community
Supervision and Corrections Department
McKinney, Texas

Report on the Financial Statements

We have audited the accompanying combined statement of financial position as of August 31, 2015, the combined statement of revenue, expenditures and changes in fund balance, the combining statement of revenues, expenditures, and changes in fund balance – All Diversion Grant Program Funds, and the individual statements of revenue, expenditures and changes in fund balance – budget, actual, and variance for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise Collin County Community Supervision and Corrections Department (CSCD) basic financial statements, and have issued our report thereon dated February 29, 2016.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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 significant and appropriate to provide a basis for our opinions.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the combined statement of financial position as of August 31, 2015, and the combined statement of revenue, expenditures and changes in fund balance, the combining statement of revenues, expenditures, and changes in fund balance – All Diversion Grant Program Funds, and the individual statements of revenue, expenditures and changes in fund balance – budget, actual, and variance for the year ended August 31, 2015, and the related notes to the financial statements of Collin County Community Supervision and Corrections Department, in accordance with the financial reporting provisions of the TDCJ-CJAD as described in Note 1.

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 provisions of the 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 TDCJ-CJAD. Our opinion is not modified with respect to that matter.

Emphasis of Matter

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

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Collin County Community Supervision and Corrections Department's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedules of Differences between the Audit Report and CSCD Reports Sent to TDCJ-CJAD are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2016, on our consideration of the Collin County Community Supervision and Corrections Department's internal control over financial reporting and 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 of Use

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

Waco, Texas
February 29, 2016

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COMBINED FINANCIAL STATEMENTS

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**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

COMBINED STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2015

	Basic Supervision	Community Corrections	Diversion Programs	Treatment Alternative to Incarceration Program	Total
ASSETS					
Cash and Investments:					
Bank Balances	\$ 450,695	\$ 714,908	\$ 27,362	\$ 19,051	\$ 1,212,016
Time Deposits	<u>2,392,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,392,377</u>
Total Cash and Investments	<u>2,843,072</u>	<u>714,908</u>	<u>27,362</u>	<u>19,051</u>	<u>3,604,393</u>
Accounts Receivable:					
Community Supervision Fees	262,971	-	-	-	262,971
Program Participation Fees	59,981	-	-	-	59,981
Other Receivables	<u>98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98</u>
Total Accounts Receivable	<u>323,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,050</u>
Total Assets	<u>3,166,122</u>	<u>714,908</u>	<u>27,362</u>	<u>19,051</u>	<u>3,927,443</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	330,394	30,894	25,908	6,812	394,008
Due to TDCJ-CJAD	<u>-</u>	<u>684,014</u>	<u>1,454</u>	<u>12,239</u>	<u>697,707</u>
Total Liabilities	<u>330,394</u>	<u>714,908</u>	<u>27,362</u>	<u>19,051</u>	<u>1,091,715</u>
Fund Balance	<u>2,835,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,835,728</u>
Total Liabilities and Fund Balance	<u>\$ 3,166,122</u>	<u>\$ 714,908</u>	<u>\$ 27,362</u>	<u>\$ 19,051</u>	<u>\$ 3,927,443</u>

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

FOR THE YEAR ENDED AUGUST 31, 2015

	Basic Supervision	Community Corrections	Diversion Programs	Treatment Alternative to Incarceration Program	Total
REVENUE					
State Aid	\$ 1,263,272	\$ 951,205	\$ 188,552	\$ 40,126	\$ 2,443,155
State Aid: SAFPF	15,303	-	-	-	15,303
Community Supervision Fees	3,273,714	-	-	-	3,273,714
Payments by Program Participants	781,525	-	-	-	781,525
Interest Income	3,165	-	-	-	3,165
Other Revenue	5,694	-	-	-	5,694
Total Revenue	<u>5,342,673</u>	<u>951,205</u>	<u>188,552</u>	<u>40,126</u>	<u>6,522,556</u>
EXPENDITURES					
Salaries and Fringe Benefits	4,991,317	157,647	373,229	-	5,522,193
Travel and Furnished Transportation	58,339	34	-	-	58,373
Contract Services for Offenders	113,564	239,648	39,820	42,592	435,624
Professional Fees	78,868	7,134	1,414	301	87,717
Supplies and Operating Expenses	507,892	944	-	-	508,836
Utilities	4,918	-	-	-	4,918
Equipment	14,413	4,132	-	-	18,545
Total Expenditures	<u>5,769,311</u>	<u>409,539</u>	<u>414,463</u>	<u>42,893</u>	<u>6,636,206</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(426,638)	541,666	(225,911)	(2,767)	(113,650)
OTHER FINANCING SOURCES (USES)					
Transfer In	-	-	227,347	15,000	242,347
Transfer Out	(45,326)	(197,021)	-	-	(242,347)
Total Other Financing Sources (Uses)	<u>(45,326)</u>	<u>(197,021)</u>	<u>227,347</u>	<u>15,000</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 1, 2014	3,307,692	339,369	18	6	3,647,085
REFUND DUE TO TDCJ-CJAD	<u>-</u>	<u>(684,014)</u>	<u>(1,454)</u>	<u>(12,239)</u>	<u>(697,707)</u>
FUND BALANCE, AUGUST 31, 2015	<u>\$ 2,835,728</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,835,728</u>

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

ALL DIVERSION GRANT PROGRAM FUNDS

FOR THE YEAR ENDED AUGUST 31, 2015

	Specialized Caseload- Mental Health Initiative	Specialized Caseload-Sex Offender	Specialized Caseload- Substance Abuse	Total
REVENUE				
State Aid	\$ 36,552	\$ 97,029	\$ 54,971	\$ 188,552
Total Revenue	<u>36,552</u>	<u>97,029</u>	<u>54,971</u>	<u>188,552</u>
EXPENDITURES				
Salaries and Fringe Benefits	117,437	100,270	155,522	373,229
Contract Services for Offenders	-	39,820	-	39,820
Professional Fees	<u>274</u>	<u>728</u>	<u>412</u>	<u>1,414</u>
Total Expenditures	<u>117,711</u>	<u>140,818</u>	<u>155,934</u>	<u>414,463</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(81,159)	(43,789)	(100,963)	(225,911)
OTHER FINANCING SOURCES (USES)				
Transfer In	<u>81,715</u>	<u>44,337</u>	<u>101,295</u>	<u>227,347</u>
Total Other Financing Sources (Uses)	<u>81,715</u>	<u>44,337</u>	<u>101,295</u>	<u>227,347</u>
FUND BALANCE, SEPTEMBER 1, 2014	8	5	5	18
REFUND DUE TO TDCJ-CJAD	(564)	(553)	(337)	(1,454)
FUND BALANCE, AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

BASIC SUPERVISION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE			
State Aid	\$ 1,263,272	\$ 1,263,272	\$ -
State Aid: SAFPF	25,000	15,303	(9,697)
Community Supervision Fees	3,141,274	3,273,714	132,440
Payments by Program Participants	387,043	781,525	394,482
Interest Income	2,000	3,165	1,165
Other Revenue	<u>-</u>	<u>5,694</u>	<u>5,694</u>
Total Revenue	<u>4,818,589</u>	<u>5,342,673</u>	<u>524,084</u>
EXPENDITURES			
Salaries and Fringe Benefits	5,773,879	4,991,317	782,562
Travel and Furnished Transportation	199,000	58,339	140,661
Contract Services for Offenders	289,450	113,564	175,886
Professional Fees	606,075	78,868	527,207
Supplies and Operating Expenses	1,155,831	507,892	647,939
Utilities	12,100	4,918	7,182
Equipment	<u>44,700</u>	<u>14,413</u>	<u>30,287</u>
Total Expenditures	<u>8,081,035</u>	<u>5,769,311</u>	<u>2,311,724</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(3,262,446)	(426,638)	2,835,808
OTHER FINANCING SOURCES (USES)			
Transfer Out	(45,326)	(45,326)	-
Total Other Financing Sources (Uses)	<u>(45,326)</u>	<u>(45,326)</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 1, 2014	<u>3,307,772</u>	<u>3,307,692</u>	<u>(80)</u>
FUND BALANCE, AUGUST 31, 2015	<u>\$ -</u>	<u>\$ 2,835,728</u>	<u>\$ 2,835,728</u>

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

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

FOR THE YEAR ENDED AUGUST 31, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE			
State Aid	\$ 951,205	\$ 951,205	\$ -
Total Revenue	<u>951,205</u>	<u>951,205</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	182,512	157,647	24,865
Travel and Furnished Transportation	35,000	34	34,966
Contract Services for Offenders	261,724	239,648	22,076
Professional Fees	15,134	7,134	8,000
Supplies and Operating Expenses	449,285	944	448,341
Utilities	2,450	-	2,450
Equipment	<u>8,995</u>	<u>4,132</u>	<u>4,863</u>
Total Expenditures	<u>955,100</u>	<u>409,539</u>	<u>545,561</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(3,895)	541,666	545,561
OTHER FINANCING SOURCES (USES)			
Transfer Out	(335,474)	(197,021)	138,453
Total Other Financing Sources (Uses)	<u>(335,474)</u>	<u>(197,021)</u>	<u>138,453</u>
FUND BALANCE, SEPTEMBER 1, 2014	339,369	339,369	-
REFUND DUE TO TDCJ-CJAD	<u>-</u>	(684,014)	(684,014)
FUND BALANCE, AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

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

FOR THE YEAR ENDED AUGUST 31, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE			
State Aid	\$ 36,552	\$ 36,552	\$ -
Total Revenue	<u>36,552</u>	<u>36,552</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	129,665	117,437	12,228
Professional Fees	<u>274</u>	<u>274</u>	<u>-</u>
Total Expenditures	<u>129,939</u>	<u>117,711</u>	<u>12,228</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(93,387)	(81,159)	12,228
OTHER FINANCING SOURCES (USES)			
Transfer In	<u>93,387</u>	<u>81,715</u>	(11,672)
Total Other Financing Sources (Uses)	<u>93,387</u>	<u>81,715</u>	<u>(11,672)</u>
FUND BALANCE, SEPTEMBER 1, 2014	-	8	8
REFUND DUE TO TDCJ-CJAD	<u>-</u>	(564)	(564)
FUND BALANCE, AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

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

FOR THE YEAR ENDED AUGUST 31, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE			
State Aid	\$ 97,029	\$ 97,029	\$ -
Total Revenue	<u>97,029</u>	<u>97,029</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	120,814	100,270	20,544
Travel and Furnished Transportation	9,557	-	9,557
Contract Services for Offenders	58,308	39,820	18,488
Professional Fees	<u>728</u>	<u>728</u>	<u>-</u>
Total Expenditures	<u>189,407</u>	<u>140,818</u>	<u>48,589</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(92,378)	(43,789)	48,589
OTHER FINANCING SOURCES (USES)			
Transfer In	<u>92,378</u>	<u>44,337</u>	(48,041)
Total Other Financing Sources (Uses)	<u>92,378</u>	<u>44,337</u>	(48,041)
FUND BALANCE, SEPTEMBER 1, 2014	-	5	5
REFUND DUE TO TDCJ-CJAD	<u>-</u>	(553)	(553)
FUND BALANCE, AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

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

FOR THE YEAR ENDED AUGUST 31, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE			
State Aid	\$ 54,971	\$ 54,971	\$ -
Total Revenue	<u>54,971</u>	<u>54,971</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	182,951	155,522	27,429
Professional Fees	<u>13,906</u>	<u>412</u>	<u>13,494</u>
Total Expenditures	<u>196,857</u>	<u>155,934</u>	<u>40,923</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(141,886)	(100,963)	40,923
OTHER FINANCING SOURCES (USES)			
Transfer In	<u>141,886</u>	<u>101,295</u>	(40,591)
Total Other Financing Sources (Uses)	<u>141,886</u>	<u>101,295</u>	(40,591)
FUND BALANCE, SEPTEMBER 1, 2014	-	5	5
REFUND DUE TO TDCJ-CJAD	<u>-</u>	(337)	(337)
FUND BALANCE, AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

TREATMENT ALTERNATIVE TO INCARCERATION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE			
State Aid	\$ 40,126	\$ 40,126	\$ -
Total Revenue	<u>40,126</u>	<u>40,126</u>	<u>-</u>
EXPENDITURES			
Contract Services for Offenders	92,974	42,592	50,382
Professional Fees	<u>301</u>	<u>301</u>	<u>-</u>
Total Expenditures	<u>93,275</u>	<u>42,893</u>	<u>50,382</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(53,149)	(2,767)	50,382
OTHER FINANCING SOURCES (USES)			
Transfer In	<u>53,149</u>	<u>15,000</u>	(38,149)
Total Other Financing Sources (Uses)	<u>53,149</u>	<u>15,000</u>	(38,149)
FUND BALANCE, SEPTEMBER 1, 2014	-	6	6
REFUND DUE TO TDCJ-CJAD	<u>-</u>	(12,239)	(12,239)
FUND BALANCE, AUGUST 31, 2015	<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, 2015

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

Since the Department receives funding from State government, it must comply with requirements of the State. Therefore, the financial statements were prepared using the basis of accounting prescribed by the TDCJ-CJAD, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. 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 for the specific activities in accordance with laws, regulations, or other restrictions. 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, 2015 for financial activity performed by August 31, 2015, are considered available. Also purchases for which the commitment has been established by August 31, 2015, are considered liabilities regardless of whether possession of these goods has been received by August 31, 2015, provided that the liability purchase is received and is paid for by October 31, 2015. Exception to this method of accounting is the recording of refunds to the State as reductions of Fund Balance.

Funds of the Collin County CSCD are grouped into the agency fund type for the purpose of operation on the Collin County, Texas accounting system. Accounting agency funds are accounts established for deposit and disbursement of funds which are not controlled through the Collin County, Texas budget process and are held in purely a custodial capacity.

Budgets (Accounting and Legal Compliance)

The budgets governing the funding to the programs are prepared at the beginning of each biennium and 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, 2015 will be reviewed and approved/disapproved by TDCJ-CJAD. TDCJ-CJAD will not accept any budget adjustments after September 30, 2015 for the previous fiscal year. Only budget adjustments approved by TDCJ-CJAD should be 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, 2015 became part of the subsequent year's budget.

Compensated Absences

The CSCD's permanent, fulltime employees accrue 7.39 hours of paid time off (PTO) per pay period (biweekly) from date of employment to four years of service; 8.31 hours per pay period from 5 years to 9 years of service; 9.23 hours per pay period from 10 to 19 years of service; and 10.15 hours per pay period for 20 plus years of continuous employment. The maximum accrual is 200, 240, 320, and 400 hours of PTO for the respective accrual categories specified. Upon termination from the CSCD, an employee is entitled to payment for the total accrued hours as long as they have completed at least one year of continuous service. A liability for vacation pay and compensatory time is not reported in these financial statements. The CSCD's balance of earned but unused compensated absences as of August 31, 2015, was \$48,211.

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.

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.

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.

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 DP line item but is budgeted and reported by CSCDs as state aid under Basic Supervision.

Dedicated Salary Funding: Funds were appropriated by the 81st Legislature specifically for community supervision officers and direct care staff salary increases of 3.5% of the salaries as of August 31, 2009 for FY 2010 and another 3.5% increase of the August 31, 2009 salaries for FY 2011. To date, the dedicated salary funding amounts are the same as in FY 2011. Appropriations of the Dedicated Salary are allocated by TDCJ-CJAD through the DP line item but are budgeted and reported by CSCDs as state aid under Basic Supervision.

High/Medium Reduction Caseload Funding: Appropriations of the High/Medium Reduction Caseload funding are allocated by TDCJ-CJAD through the DP line item but are budgeted and reported by CSCD's as State aid under Basic Supervision.

Treatment Alternative to Incarceration Programs (TAIP) Grant Funds

The Treatment Alternative to Incarceration Program provides a continuum of substance abuse treatment services and accountability programming for individual offenders, subject to TAIP funding and guidelines. Services include assessment, screening, and referral to treatment services.

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, 2015:

Source	Amount Received	Restrictions for Use	Expended in Accordance with Restrictions
		Financial Management Manual for TDCJ-CJAD	
Community Supervision Fees	\$ 3,273,714	Funding restrictions	Yes
		Financial Management Manual for TDCJ-CJAD	
Payments by Program Participants	781,525	Funding restrictions	Yes
		Financial Management Manual for TDCJ-CJAD	
Interest Income	3,165	Funding restrictions	Yes
Administrative Fees, Welfare Restitution, Subponea, and 5% Collection Fees	5,694	Financial Management Manual for TDCJ-CJAD	
		Funding 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, 2015:

Source	Amount Received	Restrictions for Use	Expenditure in Accordance with Restrictions	Fund Balance at August 31, 2015
Victim restitution	\$ 1,625,206	Government Code 76.013, paid directly to victim within certain timelines	Yes	\$ -
Bond Supervision	214,666	Article 17.40 of the Code of Criminal Procedure\State Bill (SB) 880 in the 82nd Legislature Paid directly to County Treasurer	Yes	-
Children's Advocacy Center	897		Yes	-
Crimestoppers	116,650	Paid directly to Crimestoppers	Yes	-
Supervision Fee for Sex Offenders	5,876	Article 42.12, Section 19 (f) of the Code of Criminal Procedure	Yes	-
Attorney fees	8,260	Local Government Code, Chapter 113, Section 113.022	Yes	-
Court costs	10,614	Local Government Code, Chapter 113, Section 113.023	Yes	-
Fines	34,283	Local Government Code, Chapter 113, Section 113.024	Yes	-
Womens Shelter Donation Fee	3,173	Code of Criminal Procedure, Article 42.12, Section 11(h)	Yes	-
Domestic Violence Fee	2,120	Code of Criminal Procedure, Article 42.12, Section 11(h)	Yes	-
Deferred Prosecution	147,600	Local Government Code, Chapter 113, Section 113.023	Yes	-
Forgery	225	Local Government Code, Chapter 113, Section 113.023	Yes	-
Sheriff Service Fee	1,767	Local Government Code, Chapter 113, Section 113.023	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 County Treasurer 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. (Government Code 509.011 (c) and local Government Code 140.003 (f)).

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 excess expenditures over \$15,000 or 15% of the approved line item budgeted amount.

7. ACCOUNTS AND/OR INTERFUND TRANSFERS RECEIVABLE AND/OR PAYABLE AT AUGUST 31, 2015

There were no interfund receivable or payable balances at August 31, 2015. There were general accounts payable and receivable balances at August 31, 2015.

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, 2015</u>
Treatment Assessment Screening Center, Inc.	\$ 400,000
Collin County Sheriff's Office - SCORE	<u>202,077</u>
	<u>\$ 602,077</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, 2015.

10. PRIOR PERIOD ADJUSTMENTS AND REFUNDS

The Department did not have a prior period adjustment or refund in fiscal year 2015.

11. 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, 2015

	<u>Audit</u>	<u>Per CSCD Quarterly Report</u>	<u>Difference</u>
REVENUE			
State Aid	\$ 1,263,272	\$ 1,263,272	\$ -
State aid: SAFPF	15,303	15,303	-
Community Supervision Fees	3,273,714	3,273,714	-
Payments by Program Participants	781,525	781,525	-
Interest Income	3,165	3,165	-
Other Revenue	5,694	5,694	-
Total Revenue	<u>5,342,673</u>	<u>5,342,673</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	4,991,317	4,991,317	-
Travel and Furnished Transportation	58,339	58,339	-
Contract Services for Offenders	113,564	113,564	-
Professional Fees	78,868	78,868	-
Supplies and Operating Expenses	507,892	507,892	-
Utilities	4,918	4,918	-
Equipment	14,413	14,413	-
Total Expenditures	<u>5,769,311</u>	<u>5,769,311</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(426,638)	(426,638)	-
OTHER FINANCING SOURCES (USES)			
Transfer Out	(45,326)	(45,326)	-
Total Other Financing Sources (Uses)	<u>(45,326)</u>	<u>(45,326)</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 1, 2014	<u>3,307,692</u>	<u>3,307,692</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2015	<u>\$ 2,835,728</u>	<u>\$ 2,835,728</u>	<u>\$ -</u>

**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, 2015

	<u>Audit</u>	<u>Per CSCD Quarterly Report</u>	<u>Difference</u>
REVENUE			
State Aid	951,205	951,205	-
Total Revenue	<u>951,205</u>	<u>951,205</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	157,647	157,647	-
Travel and Furnished Transportation	34	34	-
Contract Services for Offenders	239,648	181,675	(57,973) A
Professional Fees	7,134	65,107	57,973 A
Supplies and Operating Expenses	944	944	-
Equipment	<u>4,132</u>	<u>4,132</u>	<u>-</u>
Total Expenditures	<u>409,539</u>	<u>409,539</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	541,666	541,666	-
OTHER FINANCING SOURCES (USES)			
Transfer Out	(197,021)	(197,021)	-
Total Other Financing Sources (Uses)	<u>(197,021)</u>	<u>(197,021)</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 1, 2014	339,369	339,369	-
REFUND DUE TO TDCJ-CJAD	<u>(684,014)</u>	<u>(684,014)</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE A: The difference was caused by \$57,973 of Contract Services that were inadvertently reported as Professional Fees.

**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, 2015

	<u>Audit</u>	<u>Per CSCD Quarterly Report</u>	<u>Difference</u>
REVENUE			
State Aid	\$ 36,552	\$ 36,552	\$ -
Total Revenue	<u>36,552</u>	<u>36,552</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	117,437	117,437	-
Contract Services for Offenders	-	274	274 A
Professional fees	<u>274</u>	<u>-</u>	<u>(274) A</u>
Total Expenditures	<u>117,711</u>	<u>117,711</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(81,159)	(81,159)	-
OTHER FINANCING SOURCES (USES)			
Transfer In	<u>81,715</u>	<u>81,715</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>81,715</u>	<u>81,715</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 1, 2014	8	8	-
REFUND DUE TO TDCJ-CJAD	<u>(564)</u>	<u>(564)</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE A: The difference was caused by \$274 of Fiscal Service Fees inadvertently reported as Contract Services for Offenders.

**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, 2015

	<u>Audit</u>	<u>Per CSCD Quarterly Report</u>	<u>Difference</u>
REVENUE			
State Aid	\$ 97,029	\$ 97,029	\$ -
Total Revenue	<u>97,029</u>	<u>97,029</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	100,270	100,270	-
Contract Services for Offenders	39,820	39,820	-
Professional Fees	<u>728</u>	<u>728</u>	<u>-</u>
Total Expenditures	<u>140,818</u>	<u>140,818</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(43,789)	(43,789)	-
OTHER FINANCING SOURCES (USES)			
Transfer In	<u>44,337</u>	<u>44,337</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>44,337</u>	<u>44,337</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 1, 2014	5	5	-
REFUND DUE TO TDCJ-CJAD	(553)	(553)	-
FUND BALANCE, AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2015

	<u>Audit</u>	<u>Per CSCD Quarterly Report</u>	<u>Difference</u>
REVENUE			
State Aid	\$ 54,971	\$ 54,971	\$ -
Total Revenue	<u>54,971</u>	<u>54,971</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	155,522	155,522	-
Professional Fees	412	-	(412) A
Supplies and operating expenses	<u>-</u>	<u>412</u>	<u>412 A</u>
Total Expenditures	<u>155,934</u>	<u>155,934</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(100,963)	(100,963)	-
OTHER FINANCING SOURCES (USES)			
Transfer In	<u>101,295</u>	<u>101,295</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>101,295</u>	<u>101,295</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 1, 2014	5	5	-
REFUND DUE TO TDCJ-CJAD	(337)	(337)	-
FUND BALANCE, AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE A: The difference was caused by \$412 of Fiscal Service Fees inadvertently reported as Supplies and Operating expenses.

**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, 2015

	<u>Audit</u>	<u>Per CSCD Quarterly 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 for Offenders	42,592	33,868	8,724 A
Professional Fees	<u>301</u>	<u>9,025</u>	<u>(8,724) A</u>
Total Expenditures	<u>42,893</u>	<u>42,893</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(2,767)	(2,767)	-
OTHER FINANCING SOURCES (USES)			
Transfer In	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 1, 2014	6	6	-
REFUND DUE TO TDCJ-CJAD	<u>(12,239)</u>	<u>(12,239)</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE A: The difference was caused by \$8,724 of Contract Services for Offenders inadvertently reported as Professional Fees.

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
Collin County, 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, 2015, and the related notes to the financial statements, which collectively comprise the Collin County Community Supervision and Corrections Department's financial statements, and have issued our report thereon dated February 29, 2016.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-1.

Collin County Community Supervision and Corrections Department's Response to Finding

Collin County Community Supervision and Corrections Department's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Collin County Community Supervision and Corrections Department's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

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

Waco, Texas
February 29, 2016

**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2015

Finding No. 2015-1

Affected Grants:	Community Corrections Program: Community Corrections Facility – SCORE Diversion Grant Program: Specialized Caseload - Mental Health Initiative Diversion Grant Program: Specialized Caseload - Substance Abuse
Criteria:	The Financial Management Manual (FMM) for TDCJ-CJAD Funding requires the reporting of all expenditures to TDCJ-CJAD by specified line items.
Condition:	For the grant programs listed above, the department reported certain expenditures to TDCJ-CJAD in an incorrect line item. The classification was correct in Collin County CSCD's accounting records. It was incorrect in the reports filed with TDCJ-CJAD.
Cause:	The classification was correct in Collin County CSCD's accounting records. The error was caused by the operation of controls over filing the quarterly reports.
Effect:	\$57,973 of Contract Services were reported as Professional Fees in the Community Corrections Program: Community Corrections Facility – SCORE. \$274 of Fiscal Service Fees were reported as Contract Services for Offenders in the Diversion Grant Program: Specialized Caseload - Mental Health Initiative, and \$412 of Fiscal Service Fees were reported as Supplies and Operating expenses in the Diversion Grant Program: Specialized Caseload - Substance Abuse. \$8,724 of Contract Services were reported as Professional Fees in the Treatment Alternative to Incarceration Program.
Questioned Costs:	There are no questioned costs associated with this finding.
Corrective Action:	The 4 th quarter will be amended to report the expenditures in the correct line item. The expenditures were recorded correctly on the general ledger. The only corrections needed are those on the 4 th quarter reports to TDCJ-CJAD.
Person Responsible for Corrective Action:	Chief Financial Officer
Target Completion Date:	February 29, 2016

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Fiscal Year 2015 TDCJ-CJAD Compliance Checklist

Indicate whether these compliance requirements have been met by answering “Yes,” “No,” or “NA” (Not Applicable): (Note: The first eighteen (18) checklist items are to be answered “Yes” or “No” only.)

YES	NO	N/A	
<u>YES</u>	___		Is separate accountability maintained for TDCJ-CJAD funds; i.e., fund accounting of self-balancing funds? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
___	<u>NO</u>		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.
<u>YES</u>	___		Are TDCJ-CJAD funds and locally generated revenues expended in accordance with the <i>Financial Management Manual for TDCJ-CJAD Funding (FMM)</i> , 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.
<u>YES</u>	___		Are proper cutoff procedures observed at the end of each fiscal period? The cutoff date for revenues recognition and expenditures payments of FY 2015 is October 31, 2015.
<u>YES</u>	___		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.
___	<u>NO</u>		Are any TDCJ-CJAD funds 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 or expenses are paid, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>YES</u>	___		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.
<u>YES</u>	___		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.
<u>YES</u>	___		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 <i>Financial Management Manual for TDCJ-CJAD Funding (FMM)</i> Pages 8-10)). If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

<u>YES</u>	___	Are all of the CSCD's funds and collections deposited in the county treasury (county's bank account)? (<i>FMM</i> 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 and include in the Schedule of Findings and Questioned Costs.
<u>YES</u>	___	Are all of the CSCD's funds and collections disbursed by the county treasurer on behalf of the CSCD? (<i>FMM</i> 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 and include in the Schedule of Findings and Questioned Costs.
<u>YES</u>	___	Are all of the CSCD's funds and collections deposited in the county treasury (county's bank account) within the time period required by Local Government Code 113.022? (<i>FMM</i> Pages 7-8) If not, explain in the Notes to the Financial Statements and include in the Schedule of Findings and Questioned Costs.
<u>YES</u>	___	Did the Fiscal Officer follow the applicable laws, guidelines, and duties as specified on Pages 31-35 of the <i>Financial Management Manual for TDCJ-CJAD Funding</i> ? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>YES</u>	___	Were purchasing laws, including required competitive bidding, followed as directed in accordance with the same procedures applicable to a county? (Texas Local Government Code Section 140.003 and Chapter 262, <i>FMM</i> Pages 35-36) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
___	<u>NO</u>	Were there any instances of fraud, non-compliance, waste, or abuse noted by the auditor (Chapter 4, Item 4.25 <i>Government Auditing Standards</i>)? If yes, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>YES</u>	___	Are locally generated funds, and other collections, documented with a proper receipt system, and can they be traced to probationers' accounts, bank deposits and statements? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>YES</u>	___	Is <u>equipment</u> physically inventoried and adequately supported with an inventory form? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>YES</u>	___	Is surplus <u>equipment</u> disposed of in accordance with TDCJ-CJAD guidelines? (<i>FMM</i> Page 24) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>YES</u>	___	Was an explanation given in the Schedule of Differences for any changes or adjustments that were made to Revenues and Expenditures (by either the CSCD or the Independent Auditor) that adjusted the previous amounts reported to TDCJ-CJAD? If not, explain in the Schedule of Differences, Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
___	___	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, including an annual time study? (<i>FMM</i> Page 26) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
___	___	<u>N/A</u>

<u>YES</u>	___	___	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, 2015 , and in accordance with the <i>Financial Management Manual for TDCJ-CJAD Funding?</i> (FMM Pages 8-10) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>YES</u>	___	___	Are all non-TDCJ-CJAD funded program fees expended in accordance with applicable limitations; i.e., civil fees, Federal grants, bond fees, sex offender fees, crime victims compensation fund fees, etc.? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>YES</u>	___	___	Are Victim Restitution Funds accounted for in accordance with Texas 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.
<u>YES</u>	___	___	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 10-11 of these Guidelines) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>YES</u>	___	___	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.
<u>YES</u>	___	___	If the CSCD allows offenders to pay a fee or donate goods 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.
___	___	<u>N/A</u>	Are petty cash funds (not change 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.
___	___	<u>N/A</u>	Are petty cash funds used only for specific purposes for allowable items as listed in the <i>Financial Management Manual for TDCJ-CJAD Funding</i> 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.
<u>YES</u>	___	___	Are Personal Bond, Pre-Trial Bond, Surety Bond, Bail and Certain Other Supervision expenses relating to CSCD employees supervising these cases paid from the administrative fees (and not from state-funded budgets) set in Article 76.015(c) of the Texas Government Code, as amended; i.e., salaries, fringe benefits, travel, supplies, equipment, etc., paid from these fees? If a CSCD employee (or more than one employee where 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 these 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.

—	—	<u>N/A</u>	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? (<i>FMM</i> Pages 21-22) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>YES</u>	—	—	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 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? (<i>FMM</i> Page 27) If fees are collected, include them in the Note to the Financial Statements for funds not required to be budgeted. If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
—	—	<u>N/A</u>	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? (<i>FMM</i> Pages 28-29) If these fees are collected, include in the Note to the Financial Statements for funds not required to be budgeted. If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>YES</u>	—	—	Were pretrial diversion/intervention fees properly collected and accounted for as payments by program participants? (<i>FMM</i> 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.
<u>YES</u>	—	—	Is there proper identification on motor vehicles that are issued exempt license plates? (<i>FMM</i> 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.
<u>YES</u>	—	—	Is the transactions' administrative fee, if collected, accounted for on a consistent basis? (<i>FMM</i> Page 30) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>YES</u>	—	—	If there were negative fund balances in programs, were they covered by interfund transfers as described in the <i>Financial Management Manual for TDCJ-CJAD Funding</i> ? (<i>FMM</i> Pages 33-34) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
—	—	<u>N/A</u>	Do action plans exist for all significant findings from previous audits, if applicable, and are action plans current? (Chapter 4, Item 4.05, <i>Government Auditing Standards</i>) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.