

**COLLIN COUNTY
COMMUNITY SUPERVISION AND
CORRECTIONS DEPARTMENT**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED
AUGUST 31, 2018**

WITH INDEPENDENT AUDITORS' REPORT

**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

YEAR ENDED AUGUST 31, 2018

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditors' Report.....	1 – 3
BASIC FINANCIAL STATEMENTS	
Combined Statement of Financial Position	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance	5
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – All Diversion Grant Program Funds	6
Individual Statement of Revenues, Expenditures and Changes in Fund Balance – Budget, Actual and Variance – Basic Supervision Program	7
Individual Statements of Revenues, Expenditures and Changes in Fund Balance – Budget, Actual and Variance – Community Corrections Programs	8
Individual Statements of Revenues, Expenditures and Changes in Fund Balance – Budget, Actual and Variance – Diversion Grant Programs.....	9 – 11
Individual Statement of Revenues, Expenditures and Changes in Fund Balance – Budget, Actual and Variance – Treatment Alternatives to Incarceration Program	12
Notes to Financial Statements	13 – 17

**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

YEAR ENDED AUGUST 31, 2018

TABLE OF CONTENTS

**Page
Number**

SUPPLEMENTARY INFORMATION

Schedules of Differences Between Audit Report and CSCD Reports as Submitted to TDCJ-CJAD	18 – 23
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COMPLIANCE SECTION

Independent Auditors' Report on Compliance and on Internal Control Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24 – 25
Schedule of Findings and Questioned Costs	26 – 27
Fiscal Year 2018 TDCJ-CJAD Compliance Checklist	28 – 35



INDEPENDENT AUDITORS' REPORT

Collin County Community
Supervision and Corrections Department
Collin County, Texas

We have audited the accompanying financial statements of the Collin County Community Supervision and Corrections Department (CSCD), which comprise the combined statement of financial position as of August 31, 2018, the combined statement of revenue, expenditures and changes in fund balance, the combining statement of revenue, 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 then ended, and the related notes to the financial statements, and have issued our report thereon dated February 27, 2019.

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 opinions 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.

OFFICE LOCATIONS

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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 opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, combined statement of financial position as of August 31, 2018, the combined statement of revenue, expenditures and changes in fund balance, the combining statement of revenue, expenditures and changes in fund balance - All Diversion Grant Program Funds, the individual statements of revenue, expenditures and changes in fund balance – budget, actual and variance for the year ended August 31, 2018, and the related notes to the financial statements of Collin County CSCD, 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 CSCD 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 CSCD'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 Audit Report and CSCD Reports as Submitted 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 27, 2019, on our consideration of the Collin County CSCD'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 CSCD'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 CSCD, 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 27, 2019

COMBINED FINANCIAL STATEMENTS

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

COMBINED STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2018

	Basic Supervision	Community Corrections	Diversion Programs	Treatment Alternative to Incarceration Program	Total
ASSETS					
Cash and Investments:					
Bank Balances	\$ -	\$ 205,261	\$ 25,147	\$ 10,244	\$ 240,652
Time Deposits	<u>2,830,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,830,841</u>
Total Cash and Investments	<u>2,830,841</u>	<u>205,261</u>	<u>25,147</u>	<u>10,244</u>	<u>3,071,493</u>
Accounts Receivable:					
Travel Advances	2,970	-	-	-	2,970
Misc. A/R - Restitution	<u>342,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>342,667</u>
Total Accounts Receivable	<u>345,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>345,637</u>
Total Assets	<u>3,176,478</u>	<u>205,261</u>	<u>25,147</u>	<u>10,244</u>	<u>3,417,130</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	252,111	38,357	25,147	5,950	321,565
Due to County	<u>357,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>357,332</u>
Total Liabilities	<u>609,443</u>	<u>38,357</u>	<u>25,147</u>	<u>5,950</u>	<u>678,897</u>
Fund Balance	<u>2,567,035</u>	<u>166,904</u>	<u>-</u>	<u>4,294</u>	<u>2,738,233</u>
Total Liabilities and Fund Balance	<u>\$ 3,176,478</u>	<u>\$ 205,261</u>	<u>\$ 25,147</u>	<u>\$ 10,244</u>	<u>\$ 3,417,130</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, 2018

	Basic Supervision	Community Corrections	Diversion Programs	Treatment Alternative to Incarceration Program	Total
REVENUE					
State Aid	\$ 1,843,120	\$ 989,387	\$ 177,142	\$ 36,113	\$ 3,045,762
State Aid: SAFPF	27,185	-	-	-	27,185
Total State Aid	<u>1,870,305</u>	<u>989,387</u>	<u>177,142</u>	<u>36,113</u>	<u>3,072,947</u>
Community Supervision Fees	3,291,410	-	-	-	3,291,410
Payments by Program Participants	741,490	-	-	-	741,490
Interest Income	42,629	-	-	-	42,629
Other Revenue	26,840	-	-	-	26,840
Total Revenue	<u>5,972,674</u>	<u>989,387</u>	<u>177,142</u>	<u>36,113</u>	<u>7,175,316</u>
EXPENDITURES					
Salaries and Fringe Benefits	5,176,427	186,251	517,531	-	5,880,209
Travel and Furnished Transportation	88,228	489	-	-	88,717
Contract Services for Offenders	594,417	310,545	17,624	31,548	954,134
Professional Fees	61,336	7,420	1,328	271	70,355
Supplies and Operating Expenses	120,765	3,651	-	-	124,416
Utilities	3,837	-	-	-	3,837
Equipment	6,550	-	-	-	6,550
Total Expenditures	<u>6,051,560</u>	<u>508,356</u>	<u>536,483</u>	<u>31,819</u>	<u>7,128,218</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(78,886)	481,031	(359,341)	4,294	47,098
OTHER FINANCING SOURCES (USES)					
Basic Supervision Interfund Transfer	(45,214)	6,904	38,310	-	-
CC Interfund Transfer	-	(321,031)	321,031	-	-
Total Other Financing Sources (Uses)	<u>(45,214)</u>	<u>(314,127)</u>	<u>359,341</u>	<u>-</u>	<u>-</u>
PRIOR YEAR ENDING FUND BALANCE	<u>2,691,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,691,135</u>
AUDITED YEAR ENDING FUND BALANCE	<u>\$ 2,567,035</u>	<u>\$ 166,904</u>	<u>\$ -</u>	<u>\$ 4,294</u>	<u>\$ 2,738,233</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, 2018

	Specialized Caseload- Mental Health Initiative	Specialized Caseload-Sex Offender	Specialized Caseload- Substance Abuse	Total
REVENUE				
State Aid	\$ 36,552	\$ 96,064	\$ 44,526	\$ 177,142
Total Revenue	<u>36,552</u>	<u>96,064</u>	<u>44,526</u>	<u>177,142</u>
EXPENDITURES				
Salaries and Fringe Benefits	108,872	113,990	294,669	517,531
Contract Services for Offenders	-	17,624	-	17,624
Professional Fees	274	720	334	1,328
Total Expenditures	<u>109,146</u>	<u>132,334</u>	<u>295,003</u>	<u>536,483</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(72,594)	(36,270)	(250,477)	(359,341)
OTHER FINANCING SOURCES (USES)				
Basic Supervision Interfund Transfer	3,110	9,740	25,460	38,310
CC Interfund Transfer	69,484	26,530	225,017	321,031
Total Other Financing Sources (Uses)	<u>72,594</u>	<u>36,270</u>	<u>250,477</u>	<u>359,341</u>
PRIOR YEAR ENDING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
AUDITED YEAR ENDING FUND BALANCE	<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, 2018

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State Aid	\$ 1,843,120	\$ 1,843,120	\$ -
State Aid: SAFPF	34,000	27,185	(6,815)
Total State Aid	<u>1,877,120</u>	<u>1,870,305</u>	<u>(6,815)</u>
Community Supervision Fees	3,297,100	3,291,410	(5,690)
Payments by Program Participants	602,386	741,490	139,104
Interest Income	22,515	42,629	20,114
Other Revenue	11,464	26,840	15,376
Total Revenue	<u>5,810,585</u>	<u>5,972,674</u>	<u>162,089</u>
EXPENDITURES			
Salaries and Fringe Benefits	6,072,877	5,176,427	896,450
Travel and Furnished Transportation	275,000	88,228	186,772
Contract Services for Offenders	752,350	594,417	157,933
Professional Fees	559,540	61,336	498,204
Supplies and Operating Expenses	608,273	120,765	487,508
Utilities	6,100	3,837	2,263
Equipment	27,400	6,550	20,850
Total Expenditures	<u>8,301,540</u>	<u>6,051,560</u>	<u>2,249,980</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(2,490,955)	(78,886)	2,412,069
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	(200,180)	(45,214)	154,966
Total Other Financing Sources (Uses)	<u>(200,180)</u>	<u>(45,214)</u>	<u>154,966</u>
PRIOR YEAR ENDING FUND BALANCE	<u>2,691,135</u>	<u>2,691,135</u>	<u>-</u>
AUDITED YEAR ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 2,567,035</u>	<u>\$ 2,567,035</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, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE			
State Aid	\$ 989,387	\$ 989,387	\$ -
Total Revenue	<u>989,387</u>	<u>989,387</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	246,668	186,251	60,417
Travel and Furnished Transportation	5,000	489	4,511
Contract Services for Offenders	362,933	310,545	52,388
Professional Fees	15,420	7,420	8,000
Supplies and Operating Expenses	<u>5,500</u>	<u>3,651</u>	<u>1,849</u>
Total Expenditures	<u>635,521</u>	<u>508,356</u>	<u>127,165</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	353,866	481,031	127,165
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	68,113	6,904	(61,209)
CC Interfund Transfer	<u>(421,979)</u>	<u>(321,031)</u>	<u>100,948</u>
Total Other Financing Sources (Uses)	<u>(353,866)</u>	<u>(314,127)</u>	<u>39,739</u>
PRIOR YEAR ENDING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
AUDITED YEAR ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 166,904</u>	<u>\$ 166,904</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</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	113,435	108,872	4,563
Travel and Furnished Transportation	19,071	-	19,071
Professional Fees	<u>274</u>	<u>274</u>	<u>-</u>
Total Expenditures	<u>132,780</u>	<u>109,146</u>	<u>23,634</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(96,228)	(72,594)	23,634
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	4,579	3,110	(1,469)
CC Interfund Transfer	<u>91,649</u>	<u>69,484</u>	<u>(22,165)</u>
Total Other Financing Sources (Uses)	<u>96,228</u>	<u>72,594</u>	<u>(23,634)</u>
PRIOR YEAR ENDING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
AUDITED YEAR ENDING FUND BALANCE	<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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE			
State Aid	\$ 96,064	\$ 96,064	\$ -
Total Revenue	<u>96,064</u>	<u>96,064</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	128,258	113,990	14,268
Travel and Furnished Transportation	12,698	-	12,698
Contract Services for Offenders	52,500	17,624	34,876
Professional Fees	<u>720</u>	<u>720</u>	<u>-</u>
Total Expenditures	<u>194,176</u>	<u>132,334</u>	<u>61,842</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(98,112)	(36,270)	61,842
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	12,799	9,740	(3,059)
CC Interfund Transfer	<u>85,313</u>	<u>26,530</u>	<u>(58,783)</u>
Total Other Financing Sources (Uses)	<u>98,112</u>	<u>36,270</u>	<u>(61,842)</u>
PRIOR YEAR ENDING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
AUDITED YEAR ENDING FUND BALANCE	<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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE			
State Aid	\$ 44,526	\$ 44,526	\$ -
Total Revenue	<u>44,526</u>	<u>44,526</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	321,415	294,669	26,746
Professional Fees	2,834	334	2,500
Supplies and Operating Expenses	<u>34,983</u>	<u>-</u>	<u>34,983</u>
Total Expenditures	<u>359,232</u>	<u>295,003</u>	<u>64,229</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(314,706)	(250,477)	64,229
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	89,689	25,460	(64,229)
CC Interfund Transfer	<u>225,017</u>	<u>225,017</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>314,706</u>	<u>250,477</u>	<u>(64,229)</u>
PRIOR YEAR ENDING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
AUDITED YEAR ENDING FUND BALANCE	<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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE			
State Aid	\$ 36,113	\$ 36,113	\$ -
Total Revenue	<u>36,113</u>	<u>36,113</u>	<u>-</u>
EXPENDITURES			
Contract Services for Offenders	67,026	31,548	35,478
Professional Fees	271	271	-
Supplies and Operating Expenses	<u>13,816</u>	<u>-</u>	<u>13,816</u>
Total Expenditures	<u>81,113</u>	<u>31,819</u>	<u>49,294</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(45,000)	4,294	49,294
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	25,000	-	(25,000)
CC Interfund Transfer	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Total Other Financing Sources (Uses)	<u>45,000</u>	<u>-</u>	<u>(45,000)</u>
PRIOR YEAR ENDING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
AUDITED YEAR ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 4,294</u>	<u>\$ 4,294</u>

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

**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

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 for financial activity performed by August 31 are considered available. Also purchases for which the commitment has been established by August 31 are considered liabilities regardless of whether possession of these goods has been received by August 31, provided that the liability purchase is received and is paid for by October 31. 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)

Pursuant to Government Code, Section 76.004 and 76.002, the budgets governing the funding to the programs are prepared biennially, then approved by the district judges and the criminal court-at-law judges with jurisdiction over the department and by the Texas Department of Criminal Justice - Community Justice Assistance Division.

Only budget adjustment requests, at year end, received by September 30 will be reviewed and approved/disapproved by TDCJ-CJAD. TDCJ-CJAD will not accept any budget adjustments after September 30, 2018 for the previous fiscal year. Only budget adjustments approved by TDCJ-CJAD should be referred to in performing the financial audit.

2. ONE-TIME/SUPPLEMENTAL PAYMENTS

The Department did not receive any one-time/supplemental payments for the 2018 fiscal year.

3. DEOBLIGATIONS

The Department did not have any deobligated funds for the 2018 fiscal year.

4. INTERFUND TRANSFERS

Basic Supervision transfers out were made to distribute the 2018 Dedicated Salary Grant Increases award amounts received each quarter to programs indicated below. Community Corrections Program transfers out were made to cover any fund besides Basic Supervision that had a negative fund balance at the end of any quarter.

Transfer Out:	Transfers In:		
	Community Corrections	Diversion Programs	Total
Basic Supervision	\$ 6,904	\$ 38,310	\$ 45,214
Community Corrections Program	-	321,031	321,031
Total	\$ 6,904	\$ 359,341	\$ 366,245

5. PRIOR PERIOD ADJUSTMENTS

The Department did not have any prior period adjustments for the 2018 fiscal year.

6. REFUNDS

The Department did not issue any refunds to TDCJ-CJAD during the 2018 fiscal year.

7. CASH, COLLECTIONS, CHANGE FUND, 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 (I) and local Government Code 140.003 (f)).

The Department does not maintain a petty cash account or change fund.

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.

8. 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.

9. FUNDS COLLECTED BY THE CSCD FROM SOURCES OTHER THAN TDCJ-CJAD WHICH ARE REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS

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, 2018:

Source	Amount Received	Restrictions for Use	Expended in Accordance with Restrictions
Community Supervision Fees	\$ 3,291,410	Texas Code of Criminal Procedure Article 42A.652 (a); Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Administrative Fees		Government Code Section 76.015c; Article 76.015c; Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
<u>Payments by Program Participants:</u>			
Electronic Monitoring Fees	23,564	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Fine As Sanction	25	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Urinalysis Testing Fees	495,679	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
SASSI	15	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Substance Abuse Screening Fees	24,844	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Transaction Fees	8	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Deferred Prosecution Supervision Fees	197,175	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Returned Check Fee	<u>180</u>	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Total Payments by Program Participants	\$ <u>741,490</u>		

Interest Income	\$	42,629	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
<u>Other Revenue:</u>				
Subpoena Revenue	\$	117	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Welfare Fraud Restitution		8,399	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
5% Collection Fees - Disb of Restitution		116	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Insurance Proceeds on Vehicle		17,724	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Class Action Lawsuit Settlement Proceeds		230	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Auction Proceeds		<u>254</u>	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.

10. 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, 2018.

11. SUBSEQUENT EVENTS

The Department has no subsequent events that require disclosure.

SUPPLEMENTARY INFORMATION

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

BASIC SUPERVISION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2018

	Audit	Per CSCD Quarterly Report	Difference
REVENUE			
State Aid	\$ 1,843,120	\$ 1,843,120	\$ -
State aid: SAFPF	<u>27,185</u>	<u>27,185</u>	<u>-</u>
Total State Aid	<u>1,870,305</u>	<u>1,870,305</u>	<u>-</u>
Community Supervision Fees	3,291,410	3,291,410	-
Payments by Program Participants	741,490	741,490	-
Interest Income	42,629	42,629	-
Other Revenue	<u>26,840</u>	<u>26,840</u>	<u>-</u>
Total Revenue	<u>5,972,674</u>	<u>5,972,674</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	5,176,427	5,176,427	-
Travel and Furnished Transportation	88,228	88,228	-
Contract Services for Offenders	594,417	594,417	-
Professional Fees	61,336	61,336	-
Supplies and Operating Expenses	120,765	120,765	-
Utilities	3,837	3,837	-
Equipment	<u>6,550</u>	<u>6,550</u>	<u>-</u>
Total Expenditures	<u>6,051,560</u>	<u>6,051,560</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(78,886)	(78,886)	-
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	(45,214)	(45,214)	-
Total Other Financing Sources (Uses)	<u>(45,214)</u>	<u>(45,214)</u>	<u>-</u>
PRIOR YEAR ENDING FUND BALANCE	<u>2,691,135</u>	<u>2,691,135</u>	<u>-</u>
AUDITED YEAR ENDING FUND BALANCE	<u>\$ 2,567,035</u>	<u>\$ 2,567,035</u>	<u>\$ -</u>

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

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

FOR THE YEAR ENDED AUGUST 31, 2018

	Audit	Per CSCD Quarterly Report	Difference
REVENUE			
State Aid	\$ 989,387	\$ 989,387	\$ -
Total Revenue	<u>989,387</u>	<u>989,387</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	186,251	186,251	-
Travel and Furnished Transportation	489	489	-
Contract Services for Offenders	310,545	310,545	-
Professional Fees	7,420	7,420	-
Supplies and Operating Expenses	<u>3,651</u>	<u>3,651</u>	<u>-</u>
Total Expenditures	<u>508,356</u>	<u>508,356</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	481,031	481,031	-
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	6,904	6,904	
CC Interfund Transfer	<u>(321,031)</u>	<u>(321,031)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(314,127)</u>	<u>(314,127)</u>	<u>-</u>
PRIOR YEAR ENDING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
AUDITED YEAR ENDING FUND BALANCE	<u>\$ 166,904</u>	<u>\$ 166,904</u>	<u>\$ -</u>

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

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

FOR THE YEAR ENDED AUGUST 31, 2018

	Audit	Per CSCD Quarterly Report	Difference
REVENUE			
State Aid	\$ 36,552	\$ 36,552	\$ -
Total Revenue	<u>36,552</u>	<u>36,552</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	108,872	108,872	-
Professional fees	<u>274</u>	<u>274</u>	<u>-</u>
Total Expenditures	<u>109,146</u>	<u>109,146</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(72,594)	(72,594)	-
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	3,110	3,110	-
CC Interfund Transfer	<u>69,484</u>	<u>69,484</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>72,594</u>	<u>72,594</u>	<u>-</u>
PRIOR YEAR ENDING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
AUDITED YEAR ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

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

FOR THE YEAR ENDED AUGUST 31, 2018

	Audit	Per CSCD Quarterly Report	Difference
REVENUE			
State Aid	\$ 96,064	\$ 96,064	\$ -
Total Revenue	<u>96,064</u>	<u>96,064</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	113,990	113,990	-
Contract Services for Offenders	17,624	17,624	-
Professional Fees	720	720	-
Total Expenditures	<u>132,334</u>	<u>132,334</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(36,270)	(36,270)	-
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	9,740	9,740	-
CC Interfund Transfer	26,530	26,530	-
Total Other Financing Sources (Uses)	<u>36,270</u>	<u>36,270</u>	<u>-</u>
PRIOR YEAR ENDING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
AUDITED YEAR ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

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

FOR THE YEAR ENDED AUGUST 31, 2018

	Audit	Per CSCD Quarterly Report	Difference
REVENUE			
State Aid	\$ 44,526	\$ 44,526	\$ -
Total Revenue	<u>44,526</u>	<u>44,526</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	294,669	294,669	-
Professional Fees	<u>334</u>	<u>334</u>	<u>-</u>
Total Expenditures	<u>295,003</u>	<u>295,003</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(250,477)	(250,477)	-
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	25,460	25,460	-
CC Interfund Transfer	<u>225,017</u>	<u>225,017</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>250,477</u>	<u>250,477</u>	<u>-</u>
PRIOR YEAR ENDING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
AUDITED YEAR ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COLLIN COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

TREATMENT ALTERNATIVE TO INCARCERATION PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2018

	Audit	Per CSCD Quarterly Report	Difference
REVENUE			
State Aid	\$ 36,113	\$ 36,113	\$ -
Total Revenue	<u>36,113</u>	<u>36,113</u>	<u>-</u>
EXPENDITURES			
Contract Services for Offenders	31,548	31,548	-
Professional Fees	<u>271</u>	<u>271</u>	<u>-</u>
Total Expenditures	<u>31,819</u>	<u>31,819</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	4,294	4,294	-
PRIOR YEAR ENDING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
AUDITED YEAR ENDING FUND BALANCE	<u>\$ 4,294</u>	<u>\$ 4,294</u>	<u>\$ -</u>

COMPLIANCE SECTION

**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 the 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 (CSCD) as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise Collin County Community Supervision and Corrections Department's basic financial statements, and have issued our report thereon dated February 27, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Collin County CSCD's internal control over financial reporting 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 CSCD's internal control. Accordingly, we do not express an opinion on the effectiveness of Collin County CSCD's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Collin County CSCD's financial statements are free of material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 CSCD'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 CSCD'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 CSCD, 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 27, 2019

**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2018

Findings:

There were no findings or questioned costs for the year ended August 31, 2018.

**COLLIN COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE PRIOR YEAR ENDED AUGUST 31, 2017

Findings:

There were no findings or questioned costs for the year ended August 31, 2017.

VIII. TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST

(Note: **The Compliance Checklist FORMAT AND CONTENT are NOT TO BE ALTERED.**)

Indicate whether these compliance requirements have been met by answering “Yes,” “No,” or “NA” (Not Applicable). If “N/A” is blocked out then answers must be “Yes” or “No”. *Please contact your Fiscal Auditor if you have any questions.*

YES NO N/A

FINANCIAL POLICIES AND PROCEDURES (Questions 1-2)

If questions 1 is answered YES, and questions 2 is answered NO, an explanation is required to be reported in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

Duties of the Fiscal Officer, FMM Fiscal Officer, Texas Government Code, Section 76.004 (Question 3)

Texas Government Code, Section 76.004, effective September 1, 2001 allows the judge(s) as described by Government Code section 76.002 the option to appoint a fiscal officer, other than the county auditor, to be responsible for the following: Managing and protecting funds, fees, state aid, and receipts to the same extent that a county auditor manages county funds and funds of other local entities; Ensuring that financial transactions of the department are lawful and allowable; and Prescribing accounting procedures for the department.

1. Yes ☐ Did the fiscal officer follow the applicable laws, guidelines, and duties as specified on Fiscal Officer section of the Financial Management Manual for TDCJ-CJAD Funding?

Cash Matching for Grants; FMM Grants, Donations, Fees... (Question 2)

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 (CC, DP, or TAIP cash matching) or for funding an accepted Strategic Plan program (Basic Supervision or CC cash matching). All expenditures from the CSCDs' matching funds shall be in accordance with the Financial Management Manual for TDCJ-CJAD Funding (see the Allowable and Unallowable Expenditures section of this manual).

2. ☐ ☐ NA Was cash matching properly: authorized, budgeted, and expended?

FINANCIAL STATEMENTS (Questions 3-14)

All sources identified in questions 3-14 are required to be reported on their designated line item of the audited financial statements and in their corresponding note. See note for further instructions. If questions 3, 5-7, 9-10, and 13-14 are answered NO, an explanation is required in the corresponding note of the Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs.

3. Yes ☐ Are expenditures and revenues supported by adequate documentation?

Interfund Transfers; FMM Financial Reports, Additional Reporting Requirements (Questions 4-7)

CSCDs cannot end a fiscal year with a negative fund balance in any program. Any negative fund balances in CC, DP, or TAIP must be covered by an interfund transfer from Basic Supervision.

Basic Supervision can transfer funds to CC, DP, and TAIP. CC can transfer funds to DP and TAIP. Basic Supervision cannot receive funds from any programs unless those programs are returning funds they received from Basic earlier in the fiscal year. Transfers from DP and TAIP can only go to CC if they are returning funds they received from CC earlier in the fiscal year. Transfers between CCs are not allowed; they should be done by increasing/decreasing state aid. With the exception of returning unused funds, transfers cannot come from DP (even to/from another DP) unless approved by the TDCJ-CJAD Division Director.

4. Yes ☐ ☒ Did the CSCD have any interfund transfers in the fiscal year audited?
5. Yes ☐ ☐ If any, were all interfund transfers noted during the audit allowable?
6. Yes ☐ ☐ If any, were interfund transfers correctly identified in the financial statements?
7. Yes ☐ ☐ Did any interfund transfers result from the need to cover potential negative fund balances at the end of the fiscal year?

Deobligation, Government Code, Chapter 509, Section 509.011 (h), FMM Deobligations (Questions 8-10)

Government Code, Chapter 509, Section 509.011 (h), allows CSCDs to deobligate any unencumbered state funds held by the department during a fiscal year (Basic Supervision, CC, DP, and TAIP). Deobligations are a reduction to state aid for funds that are in excess of the amount needed to operate the programs for the remainder of the year and are not to be reported as a refund.

8. ☐ No ☒ In the fiscal year audited, did any deobligation of funds occur as a result of an excess of funds allocated to programs?
9. ☐ ☐ NA If any, were deobligated funds reported as reductions to State Aid and as a separate line item on the audited financial statements (i.e. is the reported state aid the correct amount after deobligation)?
10. ☐ ☐ NA Were the appropriate budget adjustments made for any reallocated funds?

One-Time/Supplemental Payments, FMM Fund Balances/Refund Policy (Questions 11)

One-time funding is awarded on a competitive basis. The priorities for distribution are determined biennially. One-time funding consist of: additional basic supplemental payment and additional one-time payments. Examples include, but are not limited to: longevity increases, one time grant-TRAS training, research, fund movement, closed and deobligated carryover fund reobligated, insurance reduction, etc...

11. ☐ No ☒ Did the CSCD receive any One-Time Additional and Basic Supervision Supplemental Payments in of the fiscal year audited?

Unauthorized Expenditures, FMM Budgets (Questions 12-13)

*All unauthorized expenditures identified in the budget variance statements are to be reported in the related Excess of Expenditures Over Budgets note of the notes to the financial statements, see note for further instructions. **If any unauthorized expenditure that is in excess of the \$15,000 or 15% rule, they are required to be reported in the Schedule of Findings and Questioned Costs.***

Budget total line item differences either over \$15,000 or 15% that resulted in unauthorized expenditures (expenditures that did not receive prior approval from TDCJ-CJAD) for the fiscal year under audit in the CSCD's independent audit report shall be refunded to TDCJ-CJAD from the then-current Basic Supervision funding for the CSCD. Should a total line item expenditure exceed the last CJAD-approved amount by both \$15,000 and 15%, the greater amount would be used to determine the refund amount.

12. ☐ No ☒ Were any unfavorable budget variances identified in the Individual Statement of Revenues, Budget, Actual, and Variance of the fiscal year audited?

13. ☐ No ☐ Were there any unfavorable budget variances in excess of the \$15,000 or 15% rule from the prior fiscal year that resulted in unauthorized expenditure(s) that the CSCD was required to refund to the TDCJ-CJAD in the fiscal year being audited?

Prior Period Adjustments, FMM Financial Reports, Additional Reporting Requirements (Question 14)

Adjustment to beginning fund balance as a result of corrections and/or audit findings of prior fiscal years, **not prior quarters of the current fiscal year**. This amount does not include prior-year refunds.

14. ☐ ☐ NA If the CSCD had any unauthorized expenditure refunds resulting from the audit conducted in the **prior fiscal year**, were these refunds properly reported as prior period adjustments on the quarterly financial report in the period that the funds were paid and returned to TDCJ-CJAD?

BASIS OF ACCOUNTING (Questions 15-17)

If questions 34-36 are answered NO, an explanation is required in the Basis of Accounting portion of the Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs.

Basis of Accounting Requirements, FMM Fiscal Officer, Duties of the Fiscal Officer and Financial Reports (Questions 15-17)

FMM, Fiscal Officer, Duties of the Fiscal Officers: Managing and protecting funds, fees, state aid, and other receipts of money. Each program is to be maintained utilizing a separate self-balancing set of financial books and accounting records in accordance with proper fund accounting.

FMM Financial Reports, Basis of Accounting: Although funding recipients are encouraged to use the modified accrual basis of accounting for each quarter, the first, second, and third quarter reports may be prepared on the cash basis method of accounting. The fourth quarter report, which closes out the fiscal year, must be prepared on the modified accrual basis of accounting.

In order for the funding recipient to report an accrual, as of August 31, on the fourth quarter report, TDCJ-CJAD requires that the expenditures be paid and the item received by October 31.

15. Yes ☐ Is separate accountability maintained for TDCJ-CJAD funds; i.e., fund accounting of self-balancing funds?
16. Yes ☐ Is the modified accrual basis of accounting used in preparing the fourth quarter reports for submission to TDCJ-CJAD?
17. Yes ☐ Are proper cutoff procedures observed at the end of each fiscal period? *The cutoff date for revenues recognition and expenditures payments of the fiscal year audited is **October 31, of the fiscal year audited.***

FUNDS COLLECTED FROM SOURCES OTHER THAN TDCJ-CJAD REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS (Questions 18-29)

If any of the fees identified in questions 20-28 were collected they are required to be reported in the Funds Collected from Sources Other Than TDCJ-CJAD Which are Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports note of the Notes to Financial Statements. If questions 18-19, 21, 24, and 28 are answered NO and 22, 26-27 answered YES, an explanation is required in the Funds Collected from Sources Other Than TDCJ-CJAD Which are Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports note of the Notes to Financial Statements and in the Schedule of Findings and Questioned Costs.

18. 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, Special Grant Conditions, and applicable laws?

19. Yes ☐ 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?

Administrative Fees, Texas Government Code Section 76.015c, FMM Statutory Requirements (*Questions 20-22, 24, 29*)

Government Code Chapter 76 Community Supervision and Corrections Departments Section 76.015c states: A department may assess a reasonable administrative fee of not less than \$25 and not more than \$60 per month on an individual who participates in a program operated by the department or receives services from the department and who is not paying a monthly fee under Article [42A.652](#), Code of Criminal Procedure (i.e. Community Supervision Fees).

20. Yes ☐ Did the CSCD collect any **administrative fees** for offender program participation on individuals who participate in a program operated by the department or receives services from the department and who is not paying a monthly fee under Articles 42A Code of Criminal Procedure (i.e. Community Supervision Fees)?

21. Yes ☐ If collected, did the CSCD assess a reasonable administrative fee of not less than \$25 and not more than \$60?

22. ☐ No ☐ If the CSCD collected administrative fees for offender program participation, did that individual also pay a monthly fee under Articles 42A.652 Code of Criminal Procedure (Supervision Fees)?

Fees for Pretrial Intervention Programs; Texas Code of Criminal Procedure Chapter 102.012, FMM Statutory Requirements (*Questions 23-24, 29*)

Code of Criminal Procedure Chapter 102 Subchapter A General Costs Article 102.012a, Fees for Pretrial Intervention Program states: A court that authorizes a defendant to participate in a pretrial intervention program established under Section [76.011](#), Government Code, may order the defendant to pay to the court a supervision fee in an amount not more than \$60 per month as a condition of participating in the program.

23. ☐ No ☐ Did the CSCD collect fees for **pretrial intervention programs** in of the fiscal year audited?

24. Yes ☐ If collected, were **administrative fees** (Government Code Section 76.015c) and **fees for pretrial intervention programs** (Texas Code of Criminal Procedure Chapter 102.012) budgeted and recorded as payments by program participants or as community supervision fees, and listed as a separate line item, in the Funds Collected by the CSCD From Sources Other Than TDCJ-CJAD Which **ARE** Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports Note of the Notes to the Financial Statements?

Administrative Fee (i.e. Transaction Administrative Fee); Texas Code of Criminal Procedure, Article 102.072, FMM Statutory Requirements (*Questions 25-29*)

Texas Code of Criminal Procedure, Article 102.072; Administrative Fee states: An officer listed in Article [103.003](#) or a community supervision and corrections department may assess an administrative fee for each transaction made by the officer or department relating to the collection of fines, fees, restitution, or other costs imposed by a court. The fee may not exceed \$2 for each transaction. This article does not apply to a transaction relating to the collection of child support. A "transaction" is defined as an event that involves the collection of money for one or more purposes that results in a preparation of a single

receipt. CSCDs shall not prepare separate receipts for money received during a single event for multiple purposes (i.e. in order to collect multiple \$2 administrative fees).

25. ___ No Did the CSCD collect administrative fees (i.e. transaction administrative fees) for each transaction made by the department relating to the collection of fines, fees, restitutions, or other costs imposed by a court during the fiscal year audited?

26. ___ ___ NA If collected, did any single transaction administrative fee exceed the allowable \$2?

27. ___ ___ NA If collected, does the CSCD issue a separate receipt while charging the \$2 **transaction administrative fee** for each fine, fee, restitution, or other cost paid during the time of the transaction when collecting multiple fees from a probationer during a single transaction,?

28. ___ ___ NA If collected, is the **transaction administrative fee** budgeted and recorded as Other Revenue in Basic Supervision and accounted for on a consistent basis (FMM Statutory Requirements)?

29. Yes ___ ___ If any of the fees identified in questions 20, 23 and 25 were collected, were these fees included as a separate line item with the dollar amount in the Funds Collected by the CSCD From Sources Other Than TDCJ-CJAD Which **ARE** Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports Note of the Notes to the Financial Statements?

CASH, COLLECTIONS, CHANGE FUND, PETTY CASH (Questions 30-39)

If questions 30-32, 34, 36-37, and 39 are answered NO, an explanation is required to be reported in the Cash, Collections, Change Fund, Petty Cash & Investments note of the Notes to the Financial Statements and include in the Schedule of Findings and Questioned Costs. All change fund and petty cash funds are required to be reported in the Cash, Collections, Change Fund, and Petty Cash & Investments note of the Notes to the Financial Statements. If questions 37 is answered NO, an explanation is required to be reported in the Cash, Collections, Change Fund, Petty Cash & Investments note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

Deposits and Disbursement Requirements, (Questions 30-32)

Government Code, Section 509.011 (c) Each department, county, or municipality shall deposit all state aid received from the division in a special fund of the county treasury or municipal treasury, as appropriate, to be used solely for the provision of services, programs, and facilities under this chapter or Subchapter H, Chapter [351](#), Local Government Code.

Local Government Code, Section 140.003 (f) Each specialized local entity shall deposit in the county treasury of the county in which the entity has jurisdiction the funds the entity receives. The county shall hold, deposit, disburse, invest, and otherwise care for the funds on behalf of the specialized local entity as the entity directs. If a specialized local entity has jurisdiction in more than one county, the district judges having jurisdiction in those counties, by a majority vote, shall designate from among those counties the county responsible for managing the entity's funds.

Local Government Code, Section 113.022 (a) A county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received. However, in a county with fewer than 50,000 inhabitants, the commissioners court may extend the period during which funds must be deposited with the county treasurer, but the period may not exceed 15 days after the date the funds are received.

Local Government Code, Section 113.041 (a) The county treasurer shall disburse the money belonging to the county and shall pay and apply the money as required by law and as the commissioners court may require or direct, not inconsistent with law. (FMM State Payments) (See also Attorney General's Opinion DM-257)

30. Yes ☐ Are all of the CSCD's funds and collections deposited in the county treasury (county's bank account)?
31. Yes ☐ Are all of the CSCD's funds and collections disbursed by the county treasurer on behalf of the CSCD?
32. Yes ☐ 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?

Change Fund, Local Government Code, Chapter 130, Section 130.902 (a), FMM Fiscal Change Fund (Questions 33-34)

Local Government Code, Chapter 130, Section 130.902 (a) The commissioners court of a county may set aside from the general fund of the county an amount approved by the county auditor for use as a change fund by any county or district official who collects public funds. The fund may be used only to make change in connection with collections that are due and payable to the county, the state, or another political subdivision of the state that are often made by the official. (b) The bond of that official who receives such a change fund must cover the official's responsibility for the correct accounting and disposition of the change fund.

33. ☐ No Did the CSCD maintain a **change fund** authorized by the fiscal officer in the fiscal year audited? Change Funds are not to be confused with petty cash funds. (FMM Fiscal Officer)
34. ☐ ☐ NA Was the **change fund** only used to make change in connection with collections that are due and payable to the CSCD?

Petty Cash Utilizing CSCD Funds, Local Government Code, Section 130.909, FMM Petty Cash (Questions 35-37)

Local Government Code, Section 130.909. (a) The commissioners court of a county may set aside from the general fund of the county, for the establishment of a petty cash fund for any county or district official or department head approved by the commissioners court, an amount approved by: (1) the county auditor, for a county with a population of 3.3 million or more; or (2) the commissioners court, for a county with a population of less than 3.3 million. (FMM, State Payments, Financial Reports, Community Corrections Facility and Fiscal Officer)

35. ☐ No Did the CSCD maintain **petty cash utilizing the CSCD's funds** authorized by the county auditor in the fiscal year audited?
36. ☐ ☐ NA Are **petty cash funds utilizing CSCD's funds** used only for specific purposes for allowable items as listed in the Financial Management Manual for TDCJ-CJAD Funding?
37. ☐ ☐ NA Are **petty cash funds utilizing CSCD's funds** expended only for emergency situations authorized by a written policy and approved by the CSCD director?

Petty Cash Funds Utilizing NON CSCD Revenues, FMM Petty Cash (Question 38)

38. ☐ No Did the CSCD maintain **petty cash utilizing NON CSCD's revenues** (i.e. vending machine revenues) in the fiscal year audited? *If so, indicate the petty cash as "other*

petty cash” and include the dollar amount in the Cash, Collections, Change Fund, Petty Cash & Investments Note of the Notes to the Financial Statements.

Employee Surety Bond Coverage, FMM Employee Surety Bond Coverage (Question 39)

CSCD directors shall ensure that all public funds are protected by requiring that all employees with access to funds are covered by Employee Surety Bond coverage and that all funds maintained on CSCD premises are protected by appropriate insurance or bonding. Funds on CSCD premises shall not exceed insurance/bond limits of coverage. CSCDs that have been authorized to have a change fund shall have Employee Surety Bond coverage on the employee who maintains and administers the change fund or petty cash fund, and the coverage shall include the employee’s responsibility for the correct accounting and disposition of the change fund or petty cash fund.

39. Yes ☐ Are all the employees who have access to funds and/or maintains and administers change funds and petty cash, which covers the employees’ responsibility for the correct accounting and disposition of the change fund and petty cash, covered by an employee surety bond?

SCHEDULE OF DIFFERENCES (Questions 40-42)

If questions 40 and 42 are answered NO, an explanation is required to be reported in the Schedule of Differences, Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs?

40. 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?

41. ☐ No Were there any differences identified in the Schedule of Differences?

42. ☐ ☐ NA 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?

COMPLIANCE AND OTHER MATTERS; Standards for Financial Audits; Chapter 4, Item 4.25 Government Auditing Standards (Questions 43-47)

If questions 43-47 are answered YES, and explanation is required to be reported in the Report on Compliance and Internal Control and in the Schedule of Findings and Questioned Costs.

43. ☐ No Were there any instances of deficiencies in internal control noted by the auditor?

44. ☐ No Were there any instances of non-compliance noted by the auditor?

45. ☐ No Were there any instances of fraud noted by the auditor?

46. ☐ No Were there any instances of waste noted by the auditor?

47. ☐ No Were there any instances of abuse noted by the auditor?

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Standards for Financial Audits; Chapter 4, Item 4.05, Government Auditing Standards (Questions 48-49)


If questions 48-49 are answered no, an explanation is required to be reported in Schedule of Findings and Questioned Costs for Prior Year.

48. ☐ No ☐ Do any action plans exist for significant findings from prior year audits?

49. ☐ ☐ NA If action plans exist from prior year audit findings, are they current?

TDCJ-CJAD COMPLIANCE CHECKLIST SURVEY

In our attempt to make the Compliance Checklist user friendly and self-explanatory, we have made updates to break out several questions that were previously combined, also offer more specific language to each topic matter, and provide question specific direction. It is our hope, that with these changes to the Compliance Checklist, it will become a better tool in the completion of the audit process. Your feedback is welcome and important to us. Best Regards, TDCJ-CJAD Fiscal Audit Department.

50. Yes ☐  Were the questions in the Compliance Checklist easier to understand and offer better direction than in prior years? If no, please identify the question numbers below that you feel need more work.

User Feed Back: N/A