WISE COUNTY, TEXAS
271ST JUDICIAL DISTRICT
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT
(AN AGENCY FUND OF WISE COUNTY, TEXAS)

ANNUAL FINANCIAL REPORT
AUGUST 31, 2017

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Annual Financial Report
August 31, 2017

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271st Judicial District
Community Supervision and Corrections Department
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SNOWGARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Wise County Community Supervision and
Corrections Department
Wise County, Texas

Report on the Financial Statements

We have audited the accompanying combined financial statements of the Wise County Community Supervision and Corrections Department (an Agency Fund of Wise County, Texas), which comprise the combined statement of financial position as of August 31, 2017, and the related combined statement of revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 21, 2018.

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.

Auditor's 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 from material misstatement.

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

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

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Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Wise County Community Supervision and Corrections Department (an Agency Fund of Wise County, Texas), as of August 31, 2017, and the changes in financial position for the year ended, 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 Wise County Community Supervision and Corrections Department only, and are not intended to present fairly the financial position of Wise County, Texas and the results of its operations in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Wise County Community Supervision and Corrections Department's (an Agency Fund of Wise County, Texas) financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates 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 21, 2018, on our consideration of the Wise County Community Supervision and Corrections Department's (an Agency Fund of Wise County, Texas) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Wise County Community Supervision and Corrections Department's (an Agency Fund of Wise County, Texas) internal control over financial reporting and compliance.

Restriction of Use

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

Snow Garrett Williams

Snow Garrett Williams
February 21, 2018

FINANCIAL STATEMENTS

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Combined Statement of Financial Position
August 31, 2017

	TDCJ - CJAD				
	Basic Supervision Program	Community Corrections Program	Treatment Alternatives to Incarceration Program	Diversion Programs	2017 Combined Total
Assets					
Cash	$ 799,705	$ 14	$ 34,585	$ 13	$ 834,317
Accounts Receivable					
Due From -					
Jack County - Fees	5,583	-	-	-	5,583
Wise County - Fees	84,260	-	-	-	84,260
Wise County - Interest	838	-	-	-	838
Wise County - General Fund	1,449	-	-	-	1,449
Total Accounts Receivable	92,130	-	-	-	92,130
Total Assets	$ 891,835	$ 14	$ 34,585	$ 13	$ 926,447
Liabilities and Fund Balance					
Liabilities:					
Accounts Payable	$ 982	$ 14	$ 13,073	$ 13	$ 14,082
Accrued Salaries and Benefits	13,554	-	-	-	13,554
Due to TDCJ-CJAD	-	-	21,512	-	21,512
Total Liabilities	14,536	14	34,585	13	49,148
Fund Balance	877,299	-	-	-	877,299
Total Liabilities and Fund Balance	$ 891,835	$ 14	$ 34,585	$ 13	$ 926,447

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

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended August 31, 2017

	Basic Supervision Program	Community Corrections Program	Treatment Alternatives to Incarceration Program	Diversion Programs	2017 Combined Total
Revenues:					
State Aid	$ 311,190	$ 123,034	$ 226,359	$ 81,115	$ 741,698
State Aid: SAFPF	14,290	-	-	-	14,290
Community Supervision Fees	993,115	-	-	-	993,115
Payment by Program Participants	19,132	-	-	-	19,132
Interest Income	5,462	-	-	-	5,462
Other Revenue	59,144	-	-	-	59,144
Total Revenues	1,402,333	123,034	226,359	81,115	1,832,841
Expenditures:					
Salaries and Fringe Benefits	929,415	139,158	71,671	128,587	1,268,831
Travel and Furnished Transportation	73,229	-	-	-	73,229
Contract Services for Offenders	378	-	175,917	-	176,295
Professional Fees	18,812	923	1,698	609	22,042
Supplies and Operating Expenses	39,863	-	-	-	39,863
Utilities	11,336	-	-	-	11,336
Equipment	6,091	-	-	-	6,091
Total Expenditures	1,079,124	140,081	249,286	129,196	1,597,687
Excess of Revenues over (under) Expenditures	323,209	(17,047)	(22,927)	(48,081)	235,154
Other Financing Sources (Uses):					
Transfer in	-	17,047	3,556	48,081	68,684
Transfer out	(68,684)	-	-	-	(68,684)
Total Other Financing Sources (Uses)	(68,684)	17,047	3,556	48,081	-
Fund Balance, September 1	623,916	-	40,883	-	664,799
Prior Period Adjustment	(1,142)	-	-	-	(1,142)
Adjusted Beginning Balance	622,774	-	40,883	-	663,657
Refund Due to TDCJ-CJAD	-	-	(21,512)	-	(21,512)
Fund Balance, August 31	$ 877,299	$ -	$ -	$ -	$ 877,299

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

NOTES TO FINANCIAL STATEMENTS

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Notes to Financial Statements
August 31, 2017

Note 1 – Summary of Significant Accounting Policies

A. Reporting Entity

The accompanying financial statements include the revenue of the Wise 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 (TDCJ-CJAD) from State Appropriations for the Basic Supervision Fund, Community Corrections Program Fund, Diversion Program Grant Funds, Treatment Alternative to Incarceration Program Grant Fund, local fees collected for the use of the CSCD, and the expenditure of those funds.

The Wise County Supervision and Corrections Department (an Agency Fund of Wise County, Texas), a special purpose district of State government, was organized to provide certain adult probation services to judicial districts. The CSCD is not a department of the administrative county, nor is it an agency of the State of Texas.

The purpose of the funding is to serve Wise and Jack Counties, Texas, in the supervision of adult probationers to assure compliance with guidelines promulgated by the Texas Department of Criminal Justice. Generally, Community Justice Assistance Division funds, combined with the probation fees, cover the cost of salaries, fringe benefits, travel, furnished transportation, contract services for probationers, professional fees, supplies and other operating expenses. The Counties, from general revenue funds, must pay for most facilities, utilities, and equipment for all programs except residential programs.

B. 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 the 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 Wise 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 purposes for which they may be spent and the means by which the spending activities are controlled for 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 of the current period. Revenues received by October 31, 2017 for financial activity performed by August 31, 2017, are considered available. Also purchases for which the commitment has been established by August 31, 2017, 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 by October 31, 2017. Exception to this method of accounting is the recording of refunds to the State as reductions of Fund Balance.

Note 1 – Summary of Significant Accounting Policies (continued)

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

C. Budgets (Accounting and Legal Compliance)

Budgets are prepared and approved on a basis consistent with the basis of accounting described above. The budgeted amounts presented in these statements are as originally approved, or as amended, by one district judge and both Counties' criminal court at law judges for each biennium period. All budgets and budget adjustment requests are submitted to TDCJ-CJAD for approval. Only budget adjustment requests, at year-end, received by September 30, 2017 will be reviewed and approved/disapproved by TDCJ-CJAD. TDCJ-CJAD will not accept budget adjustments after September 30, 2017 for the previous fiscal year. Only budget adjustments approved by TDCJ-CJAD are reported in the accompanying supplementary information section.

D. 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 liquated by October 31, 2017 become part of the subsequent year's budget.

E. Compensated Absences

Sick leave is recorded when paid because employees are not compensated for unused sick leave. Vacation is earned in varying amounts. Unused vacation leave is carried forward from one year to the next up to certain limits. Due to the basis of accounting used by the CSCD prescribed by TDCJ-CJAD, the estimated liability for compensated absences is not reported on these financial statements, however, the estimated liability for compensated absences at August 31, 2017 was $48,038.

Note 2 – Funding Sources – State Aid

Basic Supervision Funds
The 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 and direct felony cases. Funding is first allocated to misdemeanor placements for 182 days. The remaining funding is allocated to felons under direct community supervision based on the CSCD's share of the state total population of direct felons. Basic Supervision is distributed only to CSCDs.

Community Corrections Program (CCP) 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 CCP funds.

Note 2 – Funding Sources – State Aid (continued)

Diversion Program (DP) 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 funding 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.

Pre-Trial Funding: Funds were appropriated by the 85th Legislature. Appropriations of the Pre-Trial funding are allocated by TDCJ-CJAD through the DP line item but are budgeted and reported by CSCDs as state aid under Basic Supervision.

Mentally Impaired Caseload Funds: This program provides for case management, psychiatric support, medication, residential substance abuse treatment, and the necessary support for offenders with special needs to re-enter the community. Funding for Mentally Impaired Caseload is allocated by TDCJ-CJAD through the DP funding and is budgeted and reported by the CSCD as state aid under the Diversion Program.

Specialized Substance Abuse Caseload Funds: Substance abuse continues to be the major factor associated with offenses leading to probation, and it also remains the major factor associated with revocation of probation. Specialized Substance Abuse Caseload funding promotes strategies to end substance abuse behaviors and will encourage prosocial behaviors, through the monitoring of treatment and drug testing, thus lowering the recidivism rates. Funding for Specialized Substance Abuse Caseload is allocated by TDCJ-CJAD through the DP funding and is budgeted and reported by the CSCD as state aid under the Diversion Program.

Treatment Alternatives to Incarceration Program (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.

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Notes to Financial Statements
August 31, 2017

Note 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

Source	Amount Received	Restrictions for Use	Expended in Accordance with Restriction
Probation Fees (Community Supervision Fees)	$ 834,933	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
Pre-Trial Diversion Fees (Community Supervision Fees)	$ 158,182	*Financial Management Manual for TDCJ-CJAD Funding* restrictions. Government Code, Section 76.015; Section 19, Article 42.12 Code of Criminal Procedures (Supervision Fees)	Yes
Transfer Fee (Program Participant Fees)	$ 13,492	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
UA Fee (Program Participant Fees)	$ 5,640	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
Transactions' Administration Fee (Other Revenue)	$ 21,572	*Financial Management Manual for TDCJ-CJAD Funding* restrictions. *Article 102.072, Code of Criminal Procedure*	Yes
Welfare Fraud Refund (Other Revenue)	$ 3,028	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
Insurance Recovery (Other Revenue)	$ 34,544	*Financial Management Manual for TDCJ-CJAD Funding* restrictions, or as specified by insurance company	Yes
Interest Income	$ 5,462	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes

Note 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

The following items were obtained from the CSCD and are not required to be included in the TDCJ-CJAD quarterly financial reports or the audited financial statements. These funds are deposited into collection/clearing accounts as agency funds and are operated only to distribute collections from offenders to the appropriate recipient or the applicable County Treasurer for deposit.

Source	Amount Received	Restrictions for Use	Expended in Accordance with Restriction
Crime Stoppers	$ 23,032	Local Government Code, Chapter 103, Section 103.021 (6)	Yes
Supervision Fee for Sex Offenders	$ 1,401	Article 42.12, Section 19 (f) of the Code of Criminal Procedure	Yes
Refund	$ 5,259	Overpayments received from probationers in the mail. Refunds are mailed back to the probationers for the amount that was overpaid.	Yes
Victim Restitution	$ 205,960	Government Code 76.013, paid directly to victim within certain timelines.	Yes
Court Costs (includes court fines and attorney fees)	$ 227,693	Local Government Code, Chapter 113, Section 113.022	Yes
Bond Supervision Fees	$ 14,678	Article 17.40 of the Code of Criminal Procedure\Senate Bill (SB) 880 in the 82nd Legislature.	Yes

Fund Balances for the above sources at August 31, 2017 are all $0.

Note 5 – Cash, Collections, Change Fund, Petty Cash and Investments

The CSCD's deposits were held by the First Financial Bank at August 31, 2017. The Community Supervision and Corrections Department's cash is required to be deposited under the terms of the depository contract of Wise County, Texas. The pledging of securities is maintained at the Wise County level.

The collection clearing account is a trust fund of the CSCD and is covered by pledged collateral to cover the estimated highest daily balance of funds operated in conjunction with or through the Wise County depository by the CSCD. The collection account is transferred to the county treasury within the time frames listed in Local Government Code 113.022. All CSCD deposits are in the county treasury and are disbursed by the County Treasurer in accordance with Government Code 509.011(l) and Local Government Code 140.003(f).

The CSCD does not carry any change funds or petty cash funds.

Idle funds, if any, are invested in an interest bearing checking account until spent.

Note 6 – Excess of Expenditures over Budgets in Individual Programs

The CSCD exceeded budget in the following line items:

	Basic Supervision Program	Community Corrections Program	Treatment Alternatives to Incarceration Program	Diversion Program - Mentally Impaired Caseload	Diversion Program - Specialized Substance Abuse Caseload
Salaries & Fringe Benefits	$ 13,552	$ -	$ -	$ -	$ -
Professional Fees	11,125	-	-	-	-
Total Negative Variances	$ 24,677	$ -	$ -	$ -	$ -

Explanations of over-expended budget items that exceeded the $15,000 or 15% rule are as follows:

Basic Supervision Program
The over-expenditure of Salaries and Fringe Benefits is not more than the $15,000 or 15% rule.

The over-expenditure of Professional Fees is due to the CSCD budgeting for auditing services in Supplies and Operating Expenses.

Community Corrections Program
No expenses were over budget for this program.

Treatment Alternatives to Incarceration Program
No expenses were over budget for this program.

Diversion Program - Mentally Impaired Caseload
No expenses were over budget for this program.

Diversion Program – Specialized Substance Abuse Caseload
No expenses were over budget for this program.

Note 7 – Accounts Receivables and Payables as Stated on the Combined Statement of Financial Position as of August 31, 2017

The CSCD reported accounts receivable at August 31, 2017 of $92,130, of which $84,260 was receivable from Wise County for local fees, $5,583 was receivable from Jack County for local fees, $1,449 was receivable from the Wise County General fund for utilities, and $838 was receivable from Wise County for interest in the collection clearing account. The CSCD reported accounts payable at August 31, 2017 of $14,082, of which all was payable to vendors of the CSCD.

Note 8 – Interfund Transfers

The CSCD reported interfund transfers out of $68,684 from the Basic Supervision Program at August 31, 2017; of which $17,047 was transferred to the Community Corrections Program, $3,556 to the Treatment Alternatives to Incarceration Program, $23,125 to the Diversion Program - Mentally Impaired Caseload, and $24,956 to the Diversion Program - Specialized Substance Abuse Caseload in order to provide necessary funding to cover deficits in each fund.

Note 9 – Vendor Contracts for Offender Services

The CSCD did not have any contracts and/or payments over $100,000 per vendor or per same-type service for the fiscal year ended August 31, 2017.

Note 10 – Commitments and Contingencies

The CSCD did not have any commitments and/or contingencies at August 31, 2017.

Note 11 – Deobligations

The CSCD did not have any deobligated programs for the fiscal year ended August 31, 2017.

Note 12 – Prior Period Adjustments

For the fiscal year ended August 31, 2017, the CSCD reported a prior period adjustment of ($1,142) for the Basic Supervision Program related to a refund of unauthorized expenditures from over-expended budget items that exceeded the $15,000 or 15% rule in the fiscal year ended August 31, 2015.

Note 13 - Refunds

For the fiscal year ended August 31, 2017, the CSCD reported a biennium refund for the Treatment Alternatives to Incarceration Program of $17,956 that was due to TDCJ-CJAD at August 31, 2017. Also for the fiscal year ended August 31, 2017, the CSCD reported a refund due to TDCJ-CJAD at August 31, 2017 for $3,556 related to a change in salaries that was not approved by TDCJ-CJAD of funded from the Treatment Alternatives to Incarceration Program.

Note 14 – Subsequent Events

The CSCD did not report any subsequent events for the fiscal year ended August 31, 2017.

Note 15 – Defined Benefit Pension Plans

Plan Description

The CSCD through Wise County participates as one of 738 plans in the nontraditional defined benefit pension plan administered by the Texas County and District Retirement System (TCDRS). TCDRS was created by the Texas Legislature and is overseen by an independent Board of Trustees, which is responsible for the administration of the System. TCDRS is a statewide, agent multiple-employer, public employee retirement system for county and district employees in the State of Texas. The TCDRS Act places the general administration and management of the System with a nine-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TCDRS is not fiscally dependent on the State of Texas. TCDRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code.

Note 15 – Defined Benefit Pension Plans (continued)

All employees (except temporary staff) of the CSCD are required to participate in TCDRS.

TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available at www.tcdrs.org.

Benefits Provided

TCDRS provides retirement, disability, and survivor benefits. Benefit provisions are adopted by the Wise County Commissioners' Court, within the options available in the state statutes governing TCDRS. Plan provisions for Wise County are as follows:

Employee deposit rate	7.0%
Matching ratio (County to employee)	2.25 to 1
Prior service credit	1.65 to 1
Years required for vesting	8
Service retirement eligibility	60/8, 0/20, 75
(expressed as age/years of service)	total age plus service

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the employer-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payment options. Wise County has also opted to provide prior service credit which gives employees monetary credit for time worked for an organization before it joined the System.

Contributions

The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee compensation, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees. Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Employees for the CSCD were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the CSCD were 10.28% and 10.75% in calendar years 2016 and 2017, respectively. The CSCD's and employee's contributions to TCDRS for the year ended August 31, 2017 were $112,489 and $74,652, respectively, and were equal to the required contributions.

Additional retirement plan information and details are available in Wise County's annual audit report.

SUPPLEMENTARY INFORMATION

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances All Diversion Program Funds
For Fiscal Year Ended August 31, 2017

	Diversion Program - Mentally Impaired Caseload	Diversion Program - Specialized Substance Abuse Caseload	Total Diversion Programs
Revenues:			
State Aid	$ 36,115	$ 45,000	$ 81,115
Total Revenues	36,115	45,000	81,115
Expenditures:			
Salaries and Fringe Benefits	58,969	69,618	128,587
Professional Fees	271	338	609
Total Expenditures	59,240	69,956	129,196
Excess of Revenues over (under) Expenditures	(23,125)	(24,956)	(48,081)
Other Financing Sources (Uses):			
Interfund Transfer In	23,125	24,956	48,081
Fund Balance, September 1	-	-	-
Fund Balance, August 31	$ -	$ -	$ -

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

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget, Actual, and Variance - Basic Supervision Program
For Fiscal Year Ended August 31, 2017

	2017			
	Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
State Aid	$ 311,190	$ 311,190	$ -	
State Aid: SAFPF	14,290	14,290	-	
Community Supervision Fees	993,114	993,115	1	
Payment by Program Participants	19,131	19,132	1	
Interest Income	5,461	5,462	1	
Other Revenue	59,143	59,144	1	
Total Revenues	1,402,329	1,402,333	4	
Expenditures:				
Salaries and Fringe Benefits	915,863	929,415	(13,552)	
Travel and Furnished Transportation	73,230	73,229	1	
Contract Services for Offenders	378	378	-	
Professional Fees	7,687	18,812	(11,125)	A
Supplies and Operating Expenses	942,974	39,863	903,111	
Utilities	11,336	11,336	-	
Equipment	6,091	6,091	-	
Total Expenditures	1,957,559	1,079,124	878,435	
Excess of Revenues over (under) Expenditures	(555,230)	323,209	878,439	
Other Financing Sources (Uses):				
Interfund Transfer Out	(68,686)	(68,684)	2	
Fund Balance, September 1	623,916	623,916	-	
Prior Period Adjustment	-	(1,142)	(1,142)	
Adjusted Beginning Balance	623,916	622,774	(1,142)	
Fund Balance, August 31	$ -	$ 877,299	$ 877,299	

Note A: Over-expenditure is due to Wise County Adult Probation budgeting audit services in Supplies and Operating Expense.

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

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget, Actual, and Variance - Community Corrections Program
For Fiscal Year Ended August 31, 2017

	2017		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
State Aid	$ 123,035	$ 123,034	$ (1)
Total Revenues	123,035	123,034	(1)
Expenditures:			
Salaries and Fringe Benefits	139,159	139,158	1
Professional Fees	923	923	-
Total Expenditures	140,082	140,081	1
Excess of Revenues over (under) Expenditure	(17,047)	(17,047)	-
Other Financing Sources (Uses):			
Interfund Transfer In	17,047	17,047	-
Fund Balance, September 1	-	-	-
Fund Balance, August 31	$ -	$ -	$ -

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

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget, Actual, and Variance - Treatment Alternatives to Incarceration Program
For Fiscal Year Ended August 31, 2017

	2017		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
State Aid	$ 226,359	$ 226,359	$ -
Total Revenues	226,359	226,359	-
Expenditures:			
Salaries and Fringe Benefits	71,672	71,671	1
Contract Services for Offenders	197,427	175,917	21,510
Professional Fees	1,698	1,698	-
Total Expenditures	270,797	249,286	21,511
Excess of Revenues over (under) Expenditures	(44,438)	(22,927)	21,511
Other Financing Sources (Uses):			
Interfund Transfer In	3,556	3,556	-
Fund Balance, September 1	40,883	40,883	-
Refund Due to CJAD	-	(21,512)	(21,512)
Fund Balance, August 31	$ 1	$ -	$ (1)

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

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget, Actual, and Variance - Diversion Program - Mentally Impaired Caseload
For Fiscal Year Ended August 31, 2017

	2017		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
State Aid	$ 36,115	$ 36,115	$ -
Total Revenues	36,115	36,115	-
Expenditures:			
Salaries and Fringe Benefits	58,970	58,969	1
Professional Fees	271	271	-
Total Expenditures	59,241	59,240	1
Excess of Revenues over (under) Expenditures	(23,126)	(23,125)	(1)
Other Financing Sources (Uses):			
Interfund Transfer In	23,126	23,125	1
Fund Balance, September 1	-	-	-
Fund Balance, August 31	$ -	$ -	$ -

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

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Schedule of Differences Between Audit Report and
CSCD Reports as Submitted to TDCJ-CJAD - Basic Supervision Program
For Fiscal Year Ended August 31, 2017

	Audit	CSCD Report	Difference	
Revenues:				
State Aid	$ 311,190	$ 311,190	$ -	
State Aid : SAFPF	14,290	14,290	-	
Community Supervision Fees	993,115	993,115	-	
Payment by Program Participants	19,132	19,132	-	
Interest Income	5,462	5,462	-	
Other Revenue	59,144	59,144	-	
Total Revenues	1,402,333	1,402,333	-	
Expenditures:				
Salaries and Fringe Benefits	929,415	915,861	13,554	B
Travel and Furnished Transportation	73,229	73,229	-	
Contract Services for Offenders	378	378	-	
Professional Fees	18,812	18,812	-	
Supplies and Operating Expenses	39,863	39,584	279	A
Utilities	11,336	11,336	-	
Equipment	6,091	6,370	(279)	A
Total Expenditures	1,079,124	1,065,570	13,554	
Excess of Revenues over (under) Expenditures	323,209	336,763	(13,554)	
Other Financing Sources (Uses):				
Interfund Transfer Out	(68,684)	(68,684)	-	
Fund Balance, September 1	623,916	623,916	-	
Prior Period Adjustment	(1,142)	(1,142)	-	
Adjusted Beginning Fund Balance	622,774	622,774	-	
Fund Balance, August 31	$ 877,299	$ 890,853	$ (13,554)	

Note A: Difference due to one disbursement written in the 4th quarter that was reported on the quarterly report as Equipment and was later reclassified to Supplies and Operating Expenses to properly report expense.

Note B: Difference due to payroll accrual adjustment for 8/31/17 that was not included on the final quarterly report.

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Schedule of Differences Between Audit Report and
CSCD Reports as Submitted to TDCJ-CJAD - Diversion Program - Mentally Impaired Caseload
For Fiscal Year Ended August 31, 2017

	Audit	CSCD Report	Difference
Revenues:			
State Aid	$ 36,115	$ 36,115	$ -
Total Revenues	36,115	36,115	-
Expenditures:			
Salaries and Fringe Benefits	58,969	58,969	-
Professional Fees	271	271	-
Total Expenditures	59,240	59,240	-
Excess of Revenues over (under) Expenditures	(23,125)	(23,125)	-
Other Financing Sources (Uses):			
Interfund Transfer In	23,125	23,125	-
Fund Balance, September 1	-	-	-
Fund Balance, August 31	$ -	$ -	$ -

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

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Schedule of Differences Between Audit Report and CSCD Reports as Submitted to TDCJ-CJAD - Diversion Program - Specialized Substance Abuse Caseload
For Fiscal Year Ended August 31, 2017

	Audit	CSCD Report	Difference
Revenues:			
State Aid	$ 45,000	$ 45,000	$ -
Total Revenues	45,000	45,000	-
Expenditures:			
Salaries and Fringe Benefits	69,618	69,618	-
Professional Fees	338	338	-
Total Expenditures	69,956	69,956	-
Excess of Revenues over (under) Expenditures	(24,956)	(24,956)	-
Other Financing Sources (Uses):			
Interfund Transfer In	24,956	24,956	-
Fund Balance, September 1	-	-	-
Fund Balance, August 31	$ -	$ -	$ -

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

OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION



SNOWGARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S 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*

Wise County Community Supervision and
Corrections Department
Wise 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 combined financial statements of the Wise County Community Supervision and Corrections Department (an Agency Fund of Wise County, Texas) as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise the Wise County Community Supervision and Corrections Department's financial statements, and have issued our report thereon dated February 21, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Wise 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wise County Community Supervision and Corrections Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wise 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 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.

1207 Santa Fe Drive • Weatherford, Texas 76086 • 817-596-9301 • Fax 817-596-9304

Compliance and Other Matters

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

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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity'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 Wise County Community Supervision and Corrections Department (an Agency Fund of Wise County, Texas), 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.

Snow Garrett Williams

Snow Garrett Williams
February 21, 2018

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2017

There were no current year findings, non-compliance, or questioned costs.

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Corrective Action Plan
For the Year Ended August 31, 2017

No corrective action plan necessary.

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Follow Up on Prior Year Findings
For the Year Ended August 31, 2017

No prior year findings.

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
ASSURANCES OF COMPLIANCE REQUIREMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

Fiscal Year 2017 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	
				POLICIES AND PROCEDURES
1.	___	X		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.
2.	X	___		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.
3.	X	___		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*? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
4.	X	___		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, *FMM* Purchasing)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
5.	___	___	X	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 (*FMM* Multiple Positions & Dual Departments)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
6.	X	___	___	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 13-14 *SRF* of these Guidelines)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
7.	X	___	___	Does the CSCD have a policy regarding eligibility for employee salary merit increases, if merit or one-time increases are given (*FMM* Salaries Expenditure Items)? 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.

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
ASSURANCES OF COMPLIANCE REQUIREMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

8.	X			If a Judge allows an offender to pay a fee or donate goods to a local food bank or food pantry in the community in which the defendant resides or another nonprofit organization that: (A) has a 501 (a) IRS exemption as listed in Section 501 (c) (3) of that code and (B) provides services or assistance to needy individuals and families in the community in which the defendant resides in lieu of performing community service restitution (CSR) work hours, does the CSCD have a written **CSR Policy** stating that fact (As amended in Section 16 (f), Article42.12, Code of Criminal Procedure)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings of Questioned Costs.
9.			X	With prior TDCJ-CJAD approval, CSCDs may use Basic Supervision, CC, DP, or TAIP funds as required cash matching for grants from other governmental agencies, non-profit organizations, or private foundations, etc., for the purpose of expanding an existing program. Was cash matching properly authorized, budgeted, and expended (*FMM* Grants, Donations, Fees...)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
10.	X			Local Benefit Coordinators shall participate in required ERS training. The TDCJ-CJAD Benefits Administrator will train local Benefit Coordinators on Benefits Administration and the ERS Online Website procedures. Did the Local Benefit Coordinators, as required each year by TDCJ-CJAD-PS-11 and ERS, attend an FY [YYYY] Refresher Training and the Annual Enrollment Training?
11.	X			Is equipment physically inventoried annually and adequately supported with a TDCJ-CJAD Equipment Inventory Form as instructed in the Equipment Section of the FMM? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
12.	X			Is surplus equipment disposed of in accordance with TDCJ-CJAD guidelines (*FMM* Disposable Surplus of Property)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
13.	X			Is there proper identification on motor vehicles that are issued exempt license plates (*FMM* P Statutory Requirements, Transportation Code, Chapter 721)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
14.			X	When the CSCD or a vendor operating a commissary for a CSCD purchase goods at retail outlets for resale at the commissary using sales tax exemption documentation, did the CSCD charge and collect state sales tax from the residents for items purchased? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
ASSURANCES OF COMPLIANCE REQUIREMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

15.	___	___	X	If the CSCD charged and collected state sales tax from residents, does the CSCD have a sales tax permit issued by the Comptroller of Public Accounts? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
16.	___	___	X	Did the CSCD remit the collected sales taxes to the state either quarterly or yearly (with the permission of the Comptroller of Public Accounts)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
17.	___	___	X	Did the CSCD follow the procedures for tax return, record keeping, tax remittance regarding state sales tax as summarized in Rule §3.286 of the Texas Administrative Code? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

FINANCIAL STATEMENTS

18.	X	___	[redacted]	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.
19.	X	___	___	Were interfund transfers, if any, correctly identified in the financial statements (*FMM*, Financial Reports)? If not, explain in the *Interfund Transfer* note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
20.	X	___	___	It is inappropriate for government funded programs to end a fiscal year in a deficit. If there were negative fund balances at the end of the fiscal year, were they covered by interfund transfers as described in the *Financial Management Manual* for TDCJ-CJAD Funding (*FMM* Fiscal Officer)? If not, explain in the *Interfund Transfer* note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
21.	___	X	[redacted]	In FY [YYYY], did the CSCD determine if funds allocated to program(s) were in excess of the actual needs to operate the programs for the remainder of the fiscal year, resulting in deobligation of funds? 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). If so, indicate the program(s) and the amount(s) in the *Deobligation* note of the Notes to the Financial Statements and in their specified line of the financial statements in the Independent Audit.
22.	___	___	X	Are the deobligated funds, if any, reported as reductions to State Aid (i.e. is the reported state aid the correct amount after deobligation)? If applicable. If not, explain in the *Deobligation* note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
ASSURANCES OF COMPLIANCE REQUIREMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

23.	___	___	X	If funds were deobligated, were the appropriate budget adjustments made for the reallocated funds? If not, explain in the *Deobligation* note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
24.	___	X	[redacted]	Did the CSCD receive any One Time Payments in FY [YYYY]? If so, include them in their specified line of the financial statements in the Independent Audit.
25.	___	___	X	Were the One Time Payments, if any, expended or had a purchase order issued within their allotted time frame? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
26.	X	___	[redacted]	Does the CSCD have any unfavorable budget variances from FY [YYYY] that require refunding back to TDCJ-CJAD? If so, identify them in the *Excess of Expenditures Over Budgets* note of the Note to the Financial Statements.
27.	X	___	___	If the CSCD had any unfavorable budget variance refunds for FY [YYYY], were these refunds properly reported as prior period adjustments on the Quarterly Financial Report in period that the funds were paid and returned to TDCJ-CJAD? If not, explain in the *Prior Period Adjustment* note of the Note to the Financial Statements.

BASIS OF ACCOUNTING

28.	X	___	[redacted]	Is separate accountability maintained for TDCJ-CJAD funds; i.e., fund accounting of self-balancing funds? If not, explain in the Basis of Accounting portion of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
29.	X	___		Are proper cutoff procedures observed at the end of each fiscal period? The cutoff date for revenues recognition and expenditures payments of FY [YYYY] is **October 31, [YYYY].** If not, explain in the Basis of Accounting portion of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
30.	X	___		Is the modified accrual basis of accounting used in preparing the fourth quarter reports for submission to TDCJ-CJAD? If not, explain in the Basis of Accounting portion of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
ASSURANCES OF COMPLIANCE REQUIREMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

BUDGET

31.	X			Does the CSCD have an existing policy on budget approval, operate by the policy, and the policy has been approved by the judges charged with oversight of the CSCD (Government Code, Section 76.002, and the Financial Management Manual for TDCJ-CJAD Funding (FMM Budgets)). If not, explain in the Budget note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
32.	X			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, [YYYY], and in accordance with the Financial Management Manual for TDCJ-CJAD Funding (FMM Budgets)? If not, explain in the Budget note of the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

FUNDS COLLECTED FROM SOURCES OTHER THAN TDCJ-CJAD

33.	X			Are TDCJ-CJAD funds and locally generated revenues expended in accordance with the Financial Management Manual for TDCJ-CJAD Funding (FMM), TDCJ-CJAD Standards, TDCJ-CJAD Field Correspondence, TDCJ-CJAD Policy Statements, Standard and Special Grant Conditions, and applicable laws? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
				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.
34.	X			
35.	X			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 (Supervision Fees)? If so, indicate whether they were accounted for as payments by program participants or as community supervision fees, 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.
36.	X		If the CSCD collected administrative fees for Offender Program Participation, did the CSCD assess a reasonable administrative fee of not less than $25 and not more than $60 per Government Code, Section 76.015? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
			Did the CSCD collect pretrial diversion/intervention fees in fiscal year [YYYY]? If so, indicate whether they were accounted for as payments by program participants or as community supervision fees, 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.
37.	X		Were pretrial diversion/intervention fees properly accounted for, if collected (FMM Statutory Requirements, 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.
38.	X		
			Did the CSCD collect transactions' administrative fees in fiscal year [YYYY]? If so, include them 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.
39.	X		Is the transactions' administrative fee budgeted and recorded as Other Revenue in Basic Supervision and accounted for on a consistent basis (FMM Statutory Requirements)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
40.	X		
			Did the CSCD collect Supervision Fee's for Sex Offenders in fiscal year [YYYY]? If so, include them in the 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 note of the Notes to the Financial Statements.
41.	X		

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
ASSURANCES OF COMPLIANCE REQUIREMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

42.	X			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 remitted to the State Comptroller (FMM Statutory Requirements)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
43.	X			Are Supervision Fee's for Sex Offenders expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
44.	X			Did the CSCD collect Crime Victims' Compensation Funds in fiscal year [YYYY]? If so, include them in the 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 note of the Notes to the Financial Statements.
45.	X			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. Were these fees remitted to the State Comptroller in compliance with the timelines outlined by the State Comptroller's Office (FMM Statutory Requirements)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
46.	X			Are Crime Victims' Compensation Funds expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
47.	X			Did the CSCD collect Victim Restitution Funds in fiscal year [YYYY]? If so, include them in the 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 note of the Notes to the Financial Statements.
48.	X			Are Victim Restitution Funds accounted for in accordance with Texas Government Code, Section 76.013 (FMM Statutory Requirements)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
49.	X			Are Victim Restitution Funds unclaimed funds tracked for the required five-year period prior to sending to the State Comptroller? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

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50.	X			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 (Pre-Trial Bond, Surety Bond, Bail etc.), 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 Grants, Donations, Fees..., Statutory Requirements 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.
51.		X	[redacted]	Did the CSCD collect Personal Bond fees in fiscal year [YYYY]? If so, include them in the 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 note of the Notes to the Financial Statements.
52.			X	Are Personal Bonds fees expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
53.	X		[redacted]	Did the CSCD collect Pre-Trial Bonds fees in fiscal year [YYYY]? If so, include them in the 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 note of the Notes to the Financial Statements.
54.	X			Are Pre-Trial Bonds fees expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
55.		X	[redacted]	Did the CSCD collect Surety Bonds fees in fiscal year [YYYY]? If so, include them in the 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 note of the Notes to the Financial Statements.
56.			X	Are Surety Bonds fees expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
57.		X	[redacted]	Did the CSCD collect Bail fees Fiscal year [YYYY]? If so, include them in the 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 note of the Notes to the Financial Statements.

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58.	___	___	X	Are Bail fees expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
59.	___	X	[redacted]	Did the CSCD collect fees for occupational licenses issued by Drug Courts in fiscal year [YYYY]? If so, include them in the 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 note of the Notes to the Financial Statements.
60.	___	___	X	Were fees for occupational licenses issued by Drug Courts expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
61.	___	X	[redacted]	Did the CSCD collect fees for ignition interlock installation upon conviction in fiscal year [YYYY]? If so, include them in the 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 note of the Notes to the Financial Statements.
62.	___	___	X	Were fees for ignition interlock installation upon conviction expended in accordance with applicable limitations? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
63.	___	X	[redacted]	Attorney General (AG) Opinion No. LO-98-008 indicates that state aid provided to a CSCD under the authority of Chapter 509, Texas Government Code, may only be used to provide services to criminal defendants. Therefore, when hiring a person who is responsible for supervising offenders charged with a noncriminal offense, the person's salary, benefits, and related expenses must be paid with funds from sources other than funds provided by TDCJ-CJAD or from criminal supervision fees or other locally collected funds. Expenses for the supervision of noncriminal respondents must be paid from civil supervision fees or outside grants. Did the CSCD collect Civil fees from respondents on child support civil caseloads (or other noncriminal offenders)? If so, include them in the 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 note of the Notes to the Financial Statements.
64.	___	___	X	If Civil fees were collected, were they accounted for as if they were a separate grant from as outside source (other than TDCJ-CJAD)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

65.	___	___	X	If Civil fees were collected, were they deposited in a special fund of the county treasury, provided for by the Code of Criminal Procedure, to be used for Community Supervision? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
66.	___	___	X	If Civil fees were collected, did the CSCD send a check from the civil fees fund (or from other outside grand funds) to the TDCJ-CJAD Cashier's office to reimburse the Basic Supervision Insurance reserve for these employee's insurance premiums (the employer portion)? Although these employees are eligible for state health insurance, the employer portion of the insurance premiums for these employees cannot be paid from the Basic Supervision reserve that is deducted from Basic Supervision funds each fiscal year, or from any other state funds. If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
67.	X	___	___	Are all non-TDCJ-CJAD funded program fees expended in accordance with applicable limitations; i.e., Court Costs, Federal grants and other fees, etc.? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

CASH, COLLECTIONS, CHANGE FUND, PETTY CASH

68.	X	___		Are all of the CSCD's funds and collections deposited in the county treasury (county's bank account)? (FMM State Payments; 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 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.
69.	X	___		Are all of the CSCD's funds and collections disbursed by the county treasurer on behalf of the CSCD? (FMM State Payments; 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 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.
70.	X	___		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? (FMM State Payments) If not, explain 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.

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71.	___	_X_	[redacted]	Did the CSCD maintain a Change Fund authorized by the fiscal officer in fiscal year [YYYY]? Change Funds are not to be confused with petty cash funds. (FMM Fiscal Officer) If so, indicate the Cash Change Fund amount in the Cash, Collections, Change Fund, Petty Cash & Investments note of the Notes to the Financial Statements.
72.	___	___	_X_	Was the Change Fund only used to make change in connection with collections that are due and payable to the CSCD? If not, explain 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.
73.	___	___	X	Did the Employee Surety Bond coverage include the CSCD employee who maintains and administers such Change Fund and covered that employee's responsibility for the correct accounting and disposition of the change fund? If not, explain 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.
74.	___	_X_	[redacted]	Did the CSCD maintain petty cash utilizing CSCD's funds authorized by the county auditor in the fiscal year [YYYY]? If so, indicate the petty cash dollar amount in the Cash, Collections. Change Fund, Petty Cash & Investments note of the Notes to the Financial Statements.
75.	___	___	_X_	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? (FMM, State Payments, Financial Reports, Community Corrections Facility and Fiscal Officer) If not, explain 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.
76.	___	___	X	Are petty cash funds utilizing CSCD's funds used expended only for emergency situations authorized by a written policy and approved by the CSCD director? If not, explain 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.
77.	___	_X_	[redacted]	Did the CSCD maintain petty cash utilizing NON CSCD's revenues (i.e. vending machine revenues) in the fiscal year [YYYY]? 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.

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78.	___	___	X	Are petty cash funds utilizing NON CSCD's funds used only for specific purposes for allowable items as listed in the Financial Management Manual for TDCJ-CJAD Funding? If not, explain 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.
				SCHEDULE OF DIFFERENCES
79.	X	___		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.
80.	X	___		Were there any differences identified in the Schedule of Differences?
81.	X	___	___	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.
				COMPLIANCE AND OTHER MATTERS
82.	___	X		Were there any instances of fraud noted by the auditor (Chapter 4, Item 4.25 Government Auditing Standards)? If yes, explain in the Notes to the Financial Statements, Report on Compliance and Internal Control or in the Schedule of Findings and Questioned Costs.
83.	___	X		Were there any instances of deficiencies in internal control noted by the auditor (Chapter 4, Item 4.25 Government Auditing Standards)? If yes, explain in the Notes to the Financial Statements, Report on Compliance and Internal Control or in the Schedule of Findings and Questioned Costs.
84.	___	X		Were there any instances of non-compliance noted by the auditor (Chapter 4, Item 4.25 Government Auditing Standards)? If yes, explain in the Notes to the Financial Statements, Report on Compliance and Internal Control or in the Schedule of Findings and Questioned Costs.
85.	___	X		Were there any instances of waste noted by the auditor (Chapter 4, Item 4.25 Government Auditing Standards)? If yes, explain in the Notes to the Financial Statements, Report on Compliance and Internal Control or in the Schedule of Findings and Questioned Costs.
86.	___	X		Were there any instances of abuse noted by the auditor (Chapter 4, Item 4.25 Government Auditing Standards)? If yes, explain in the Notes to the Financial Statements, Report on Compliance and Internal Control or in the Schedule of Findings and Questioned Costs.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

87.	___	___	_X__	Do any action plans exist for significant findings from prior audits (Chapter 4, Item 4.05, Government Auditing Standards)? If not, explain in the Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs.
88.	___	___	_X__	If action plans exist from prior audit findings, are they current (Chapter 4, Item 4.05, Government Auditing Standards)? If not, explain in the Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs.



SNOWGARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

February 21, 2018

Wise County Community Supervision and
Corrections Department
Decatur, Texas

We have audited the financial statements of the Wise County Community Supervision and Corrections Department (an Agency Fund of Wise County, Texas) for the year ended August 31, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated August 24, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Wise County Community Supervision and Corrections Department are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the Department during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements, if any. In addition, none of the misstatements detected as a result of audit procedures, if any, and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 21, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Department's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Department's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the supplementary information, which accompanies the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the basis of accounting prescribed by the Texas Department of Criminal Justice-Community Justice Assistance Division, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction of Use

This information is intended solely for the use of the management of the Wise County Community Supervision and Corrections Department and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Snow Garrett Williams

Snow Garrett Williams