WISE COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT

ANNUAL FINANCIAL REPORT
AUGUST 31, 2018

Wise County
Community Supervison and Corrections Department
August 31, 2018

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August 31, 2018

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SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Wise County Community Supervision and
Corrections Department
Wise County, Texas

We have audited the accompanying 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, 2018, 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 19, 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.

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 of material misstatement.

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

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

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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, 2018, 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

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) 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 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 19, 2019, 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 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 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 19, 2019

FINANCIAL STATEMENTS

Wise County Community Supervision and Corrections Department
Combined Statement of Financial Position
August 31, 2018

	Basic Supervision	Community Corrections	TAIP	Diversion Programs	Total
Assets					
Cash and Investments	$ 997,150	$ 22	$ 12,148	$ 21	$ 1,009,341
Accounts Receivable					
Due From -					
Jack County	4,108	-	-	-	4,108
Wise County	82,479	-	-	-	82,479
Other	1,794	-	-	-	1,794
Total Accounts Receivable	88,381	-	-	-	88,381
Total Assets	$ 1,085,531	$ 22	$ 12,148	$ 21	$ 1,097,722
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	$ 1,894	$ 22	$ 11,384	$ 21	$ 13,321
Accrued Salaries and Benefits	14,686	-	-	-	14,686
Total Liabilities	16,580	22	11,384	21	28,007
Fund Balance	1,068,951	-	764	-	1,069,715
Total Liabilities and Fund Balance	$ 1,085,531	$ 22	$ 12,148	$ 21	$ 1,097,722

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

Wise County Community Supervision and Corrections Department
Combined Statement of Revenue, Expenditures
And Changes in Fund Balance
For the Year Ended August 31, 2018

	Basic Supervision	Community Corrections	TAIP	Diversion Programs	Total
Revenue					
State Aid	$ 310,093	$ 127,236	$ 234,000	$ 85,615	$ 756,944
State Aid: SAFPF	22,530	-	-	-	22,530
Total State Aid	332,623	127,236	234,000	85,615	779,474
Community Supervision Fees	951,661	-	-	-	951,661
Payment by Program Participants	19,350	-	-	-	19,350
Interest Income	15,403	-	-	-	15,403
Other Revenue	64,955	-	-	-	64,955
Total Revenue	1,383,992	127,236	234,000	85,615	1,830,843
Expenditures					
Salaries and Fringe Benefits	964,414	144,094	74,043	133,757	1,316,308
Travel and Furnished Transportation	13,505	-	-	-	13,505
Contract Services for Offenders	403	-	163,365	-	163,768
Professional Fees	22,111	954	1,755	642	25,462
Supplies and Operating Expenses	41,761	-	-	-	41,761
Utilities	6,903	-	-	-	6,903
Equipment	8,116	-	-	-	8,116
Total Expenditures	1,057,213	145,048	239,163	134,399	1,575,823
Excess of Revenue over (under) Expenditures	326,779	(17,812)	(5,163)	(48,784)	255,020
Other Financing Sources (Uses)					
Basic Supervision Interfund Transfer	(72,523)	17,812	5,927	48,784	-
Total Other Financing Sources (Uses)	(72,523)	17,812	5,927	48,784	-
Prior Year Ending Fund Balance	877,299	-	-	-	877,299
Prior Period Adjustment	(9,972)	-	-	-	(9,972)
Prior Period Refund Paid to CJAD	(52,632)	-	-	-	(52,632)
Adjusted Beginning Balance	814,695	-	-	-	814,695
Audited Year Ending Fund Balance	$ 1,068,951	$ -	$ 764	$ -	$ 1,069,715

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

NOTES TO THE FINANCIAL STATEMENTS

Wise County Community Supervision and Corrections Department
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Texas Department of Criminal Justice Community Justice Assistance Division (TDCJ-CJAD) from State Appropriations for the Basic Supervision Fund, Community Corrections Funds, Diversion Program Grant Funds, Treatment Alternative to Incarceration Program (TAIP) Grant Fund, local fees collected for the use of the CSCD, and the expenditure of those funds.

The Wise County Community Supervision and Corrections Department, 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.

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 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 of 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 by October 31. 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 the Wise County, Texas budget process and are held in purely a custodial capacity.

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 will be reviewed and approved/disapproved by TDCJ-CJAD. TDCJ-CJAD will not accept budget adjustments after September 30, 2018 for the previous fiscal year. Only budget adjustments approved by TDCJ-CJAD are reported in the accompanying supplementary information section.

NOTE 2 – ONE-TIME/SUPPLEMENTAL PAYMENTS

The CSCD did not receive any One-Time Additional or Basic Supervision Supplemental Payments in the fiscal year ended August 31, 2018.

NOTE 3 – DEOBLIGATIONS

The CSCD did not have any deobligated funds for the fiscal year ended August 31, 2018.

NOTE 4 – INTERFUND TRANSFERS

The CSCD reported interfund transfers out of the Basic Supervision Program in the amount of $72,523 at August 31, 2018. The transfer is comprised of $17,812 transferred to the Community Corrections Program, $5,927 to the Treatment Alternatives to Incarceration Program (TAIP), $25,795 to the Diversion Program - Mentally Impaired Caseload, and $22,989 to the Diversion Program - Specialized Substance Abuse Caseload. The interfund transfers were a result of the need to cover negative fund balances at the end of the fiscal year ended August 31, 2018.

NOTE 5 – PRIOR PERIOD ADJUSTMENTS

For the fiscal year ended August 31, 2018, the CSCD reported a prior period adjustment of $9,972 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, 2017.

NOTE 6 - REFUNDS

For the fiscal year ended August 31, 2018, the CSCD reported a biennium refund for the Basic Supervision Program of $52,632.

NOTE 7 – CASH, COLLECTIONS, CHANGE FUND, PETTY CASH AND INVESTMENTS

The CSCD's deposits were held by the First Financial Bank at August 31, 2018. 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 accounts.

NOTE 8 – EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL PROGRAMS

The Community Justice Assistance Division of the Texas Department of Criminal Justice (TDCJ-CJAD) defines unauthorized/unfavorable expenditures as those line items in the Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget, Actual, and Variance in which actual amounts exceed budgeted amounts by more than $15,000 or by a percentage higher than 15%.

The CSCD did not have any unauthorized/unfavorable expenditures in any individual program for the fiscal year ended August 31, 2018.

Wise County Community Supervision and Corrections Department
Notes to the Financial Statements

NOTE 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

Source	Amount Received	Restrictions for Use	Expended in Accordance with Restriction
Community Supervision Fees			
Probation Fees	$ 761,610	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
Pretrial Diversion Fees	$ 190,051	*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
Total Community Supervision Fees	$ 951,661		
Payments by Program Participants			
Transfer Fees	$ 13,729	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
UA Fees	$ 5,621	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
Total Payments by Program Participants	$ 19,350		
Interest Income	$ 15,403	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
Other Revenue			
Transaction Administrative Fees	$ 20,600	*Financial Management Manual for TDCJ-CJAD Funding* restrictions. *Article 102.072, Code of Criminal Procedure*	Yes
Welfare Fraud Refund	$ 1,000	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
Restitution	$ 43,355	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
Total Other Revenue	$ 64,955		

NOTE 10 – COMMITMENTS AND CONTINGENCIES

The CSCD did not have any commitments and/or contingencies at August 31, 2018.

NOTE 11 – SUBSEQUENT EVENTS

The CSCD evaluated subsequent events through February 19, 2019, the date the financial statements were available to be issued, and nothing requiring disclosure was noted.

NOTE 12 – PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS

Through Wise County, the CSCD participates in a nontraditional defined benefit pension plan administered by the Texas County and District Retirement System (TCDRS). Details of the retirement plan can be found in the Wise County Annual Financial Report for the year ended September 30, 2018.

In addition, through Wise County, the CSCD participates in a cost-sharing multiple-employer defined benefit group-term life insurance plan operated by TCDRS. This plan is referred to as the Group Term Life Fund (GTLF). Details of the other postemployment benefits plan can be found in the Wise County Annual Financial Report for the year ended September 30, 2018.

SUPPLEMENTARY INFORMATION

Wise County Community Supervision and Corrections Department
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Diversion Program Funds
For the Year Ended August 31, 2018

	Mentally Impaired Caseload	Specialized Substance Abuse Caseload	Total All DP Funds
Revenue			
State Aid	$ 36,115	$ 49,500	$ 85,615
Total Revenues	36,115	49,500	85,615
Expenditures			
Salaries and Fringe Benefits	61,639	72,118	133,757
Professional Fees	271	371	642
Total Expenditures	61,910	72,489	134,399
Excess of Revenue over (under) Expenditures	(25,795)	(22,989)	(48,784)
Other Financing Sources (Uses):			
Basic Supervision Interfund Transfer	25,795	22,989	48,784
Prior Year Ending Fund Balance	-	-	-
Audited Year Ending Fund Balance	$ -	$ -	$ -

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

Wise County Community Supervision and Corrections Department
Individual Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget, Actual, and Variance
For the Year Ended August 31, 2018
Basic Supervision

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
State Aid	$ 310,093	$ 310,093	$ -
State Aid: SAFPF	22,529	22,530	1
Total State Aid	332,622	332,623	1
Community Supervision Fees	951,661	951,661	-
Payment by Program Participants	19,350	19,350	-
Interest Income	15,402	15,403	1
Other Revenue	64,954	64,955	1
Total Revenue	1,383,989	1,383,992	3
Expenditures			
Salaries and Fringe Benefits	977,971	964,414	13,557
Travel and Furnished Transportation	13,505	13,505	-
Contract Services for Offenders	403	403	-
Professional Fees	22,111	22,111	-
Supplies and Operating Expenses	1,120,677	41,761	1,078,916
Utilities	6,904	6,903	1
Equipment	8,116	8,116	-
Total Expenditures	2,149,687	1,057,213	1,092,474
Excess of Revenues over (under) Expenditures	(765,698)	326,779	1,092,477
Other Financing Sources (Uses)			
Basic Supervision Interfund Transfer	(72,525)	(72,523)	2
Prior Year Ending Fund Balance	877,299	877,299	-
Prior Period Adjustment	-	(9,972)	(9,972)
Prior Period Refund Paid to CJAD	-	(52,632)	(52,632)
Adjusted Beginning Balance	877,299	814,695	(62,604)
Audited Year Ending Fund Balance	$ 39,076	$ 1,068,951	$1,029,875

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

Wise County Community Supervision and Corrections Department
Individual Statement of Revenues, Expenditures
And Changes in Fund Balance - Budget, Actual, and Variance
For the Year Ended August 31, 2018
Community Corrections Program

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
State Aid	$ 127,236	$ 127,236	$ -
Total Revenues	127,236	127,236	-
Expenditures			
Salaries and Fringe Benefits	144,095	144,094	1
Professional Fees	955	954	1
Total Expenditures	145,050	145,048	2
Excess of Revenues over (under) Expenditures	(17,814)	(17,812)	2
Other Financing Sources (Uses)			
Basic Supervision Interfund Transfer	17,814	17,812	2
Prior Year Ending Fund Balance	-	-	-
Audited Year Ending Fund Balance	$ -	$ -	$ 4

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

Wise County Community Supervision and Corrections Department
Individual Statement of Revenues, Expenditures and Changes in Fund Balance - Budget, Actual, and Variance
For the Year Ended August 31, 2018
Treatment Alternatives to Incarceration Program (TAIP)

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
State Aid	$ 234,000	$ 234,000	$ -
Total Revenues	234,000	234,000	-
Expenditure			
Salaries and Fringe Benefits	74,043	74,043	-
Contract Services for Offenders	163,365	163,365	-
Professional Fees	1,755	1,755	-
Supplies and Operating Expenses	764	-	764
Total Expenditures	239,927	239,163	764
Excess of Revenues over (under) Expenditures	(5,927)	(5,163)	764
Other Financing Sources (Uses)			
Basic Supervision Interfund Transfer	5,927	5,927	-
Prior Year Ending Fund Balance	-	-	-
Audited Year Ending Fund Balance	$ -	$ 764	$ 764

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

Wise County Community Supervision and Corrections Department
Individual Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget, Actual, and Variance
For the Year Ended August 31, 2018
Diversion Program - Mentally Impaired Caseload

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
State Aid	$ 36,115	$ 36,115	$ -
Total Revenues	36,115	36,115	-
Expenditures			
Salaries and Fringe Benefits	61,639	61,639	-
Professional Fees	271	271	-
Total Expenditures	61,910	61,910	-
Excess of Revenues over (under) Expenditures	(25,795)	(25,795)	-
Other Financing Sources (Uses)			
Basic Supervision Interfund Transfer	25,795	25,795	-
Prior Year Ending Fund Balance	-	-	-
Audited Year Ending Fund Balance	$ -	$ -	$ -

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

Wise County Community Supervision and Corrections Department
Individual Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget, Actual, and Variance
For the Year Ended August 31, 2018
Diversion Program - Specialized Substance Abuse Caseload

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
State Aid	$ 49,500	$ 49,500	$ -
Total Revenues	49,500	49,500	-
Expenditures			
Salaries and Fringe Benefits	72,117	72,118	(1)
Professional Fees	372	371	1
Total Expenditures	72,489	72,489	-
Excess of Revenues over (under) Expenditures	(22,989)	(22,989)	-
Other Financing Sources (Uses)			
Basic Supervision Interfund Transfer	22,989	22,989	-
Prior Year Ending Fund Balance	-	-	-
Audited Year Ending Fund Balance	$ -	$ -	$ -

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

Wise County Community Supervision and Corrections Department
Schedule of Differences Between
Audit Report and CSCD Reports as Submitted to TDCJ-CJAD
Basic Supervision
For the Year Ended August 31, 2018

	Audit	Per CSCD Quarterly Report	Difference *	
Revenue				
State Aid	$ 310,093	$ 310,093	$ -	
State Aid : SAFPF	22,530	22,530	-	
Total State Aid	332,623	332,623	-	
Community Supervision Fees	951,661	951,661	-	
Payment by Program Participants	19,350	19,350	-	
Interest Income	15,403	15,403	-	
Other Revenue	64,955	64,955	-	
Total Revenues	1,383,992	1,383,992	-	
Expenditures				
Salaries and Fringe Benefits	964,414	977,969	(13,555)	A
Travel and Furnished Transportation	13,505	13,505	-	
Contract Services for Offenders	403	403	-	
Professional Fees	22,111	22,111	-	
Supplies and Operating Expenses	41,761	41,761	-	
Utilities	6,903	6,903	-	
Equipment	8,116	8,116	-	
Total Expenditures	1,057,213	1,070,768	(13,555)	
Excess of Revenues over (under) Expenditures	326,779	313,224	13,555	
Other Financing Sources (Uses)				
Basic Supervision Interfund Transfer	(72,523)	(72,522)	(1)	B
Prior Year Ending Fund Balance	877,299	890,855	(13,556)	A
Prior Period Adjustment	(9,972)	(9,972)	-	
Prior Period Refund Paid to CJAD	(52,632)	(52,632)	-	
Adjusted Beginning Fund Balance	814,695	828,251	(13,556)	
Audited Year Ending Fund Balance	$ 1,068,951	$ 1,068,953	$ (2)	B

* **Note**: Differences due to the following:

A: Reversal adjustment for payroll accrual for fiscal year ended August 31, 2017 that was not included on the quarterly reports.

B: Rounding of cents to dollars on current year audit report.

Wise County Community Supervision and Corrections Department
Schedule of Differences Between
Audit Report and CSCD Reports as Submitted to TDCJ-CJAD
Community Corrections Program
For the Year Ended August 31, 2018

	Audit	Per CSCD Quarterly Report	Difference *
Revenue			
State Aid	$ 127,236	$ 127,236	$ -
Total Revenues	127,236	127,236	-
Expenditures			
Salaries and Fringe Benefits	144,094	144,094	-
Professional Fees	954	954	-
Total Expenditures	145,048	145,048	-
Excess of Revenues over (under) Expenditures	(17,812)	(17,812)	-
Other Financing Sources (Uses)			
Basic Supervision Interfund Transfer	17,812	17,813	(1)
Prior Year Ending Fund Balance	-	-	-
Audited Year Ending Fund Balance	$ -	$ 1	$ (1)

* **Note:** Difference due to rounding of cents to dollars on current year audit report.

Wise County Community Supervision and Corrections Department
Schedule of Differences Between
Audit Report and CSCD Reports as Submitted to TDCJ-CJAD
Treatment Alternatives to Incarceration Program (TAIP)
For the Year Ended August 31, 2018

	Audit	Per CSCD Quarterly Report	Difference
Revenue			
State Aid	$ 234,000	$ 234,000	$ -
Total Revenues	234,000	234,000	-
Expenditures			
Salaries and Fringe Benefits	74,043	74,043	-
Contract Services for Offenders	163,365	163,365	-
Professional Fees	1,755	1,755	-
Total Expenditures	239,163	239,163	-
Excess of Revenues over (under) Expenditures	(5,163)	(5,163)	-
Other Financing Sources (Uses)			
Basic Supervision Interfund Transfer	5,927	5,927	-
Prior Year Ending Fund Balance	-	-	-
Audited Year Ending Fund Balance	$ 764	$ 764	$ -

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

Wise County Community Supervision and Corrections Department
Schedule of Differences Between
Audit Report and CSCD Reports as Submitted to TDCJ-CJAD
Diversion Program - Mentally Impaired Caseload
For the Year Ended August 31, 2018

	Audit	Per CSCD Quarterly Report	Difference *
Revenue			
State Aid	$ 36,115	$ 36,115	$ -
Total Revenues	36,115	36,115	-
Expenditures			
Salaries and Fringe Benefits	61,639	61,639	-
Professional Fees	271	271	-
Total Expenditures	61,910	61,910	-
Excess of Revenues over (under) Expenditures	(25,795)	(25,795)	-
Other Financing Sources (Uses)			
Basic Supervision Interfund Transfer	25,795	25,794	1
Prior Year Ending Fund Balance	-	-	-
Audited Year Ending Fund Balance	$ -	$ (1)	$ 1

* **Note:** Difference due to rounding of cents to dollars on current year audit report.

Wise County Community Supervision and Corrections Department
Schedule of Differences Between
Audit Report and CSCD Reports as Submitted to TDCJ-CJAD
Diversion Program - Specialized Substance Abuse Caseload
For the Year Ended August 31, 2018

	Audit	Per CSCD Quarterly Report	Difference *
Revenue			
State Aid	$ 49,500	$ 49,500	$ -
Total Revenues	49,500	49,500	-
Expenditures			
Salaries and Fringe Benefits	72,118	72,117	1
Professional Fees	371	371	-
Total Expenditures	72,489	72,488	1
Excess of Revenues over (under) Expenditures	(22,989)	(22,988)	(1)
Other Financing Sources (Uses)			
Basic Supervision Interfund Transfer	22,989	22,988	1
Prior Year Ending Fund Balance	-	-	-
Audited Year Ending Fund Balance	$ -	$ -	$ -

* **Note:** Difference due to rounding of cents to dollars on current year audit report.

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* for Wise County Community Supervision and Corrections Department, Decatur, 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 Wise County Community Supervision and Corrections Department as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise Wise County Community Supervision and Corrections Department's basic financial statements, and have issued our report thereon dated February 19, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wise County Community Supervision and Corrections Department's internal control over financial reporting 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 Wise County Community Supervision and Corrections Department's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 Wise County Community Supervision and Corrections Department's 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, 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 19, 2019

Wise County Community Supervision and Corrections Department
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2018

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

Wise County Community Supervision and Corrections Department
Corrective Action Plan
For the Year Ended August 31, 2018

No corrective action plan necessary.

Wise County Community Supervision and Corrections Department
Follow Up on Prior Year Findings
For the Year Ended August 31, 2018

No prior year findings.

VIII. TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST

*(Note: **The Compliance Checklist** **FORMAT AND CONTENT** are **NOT TO BE ATLTERED**.)*
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 1is 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.	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?
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.	X			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.	X			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.	X	___		Did the CSCD have any interfund transfers in the fiscal year audited?
5.	X	___	___	If any, were all interfund transfers noted during the audit allowable?
6.	X	___	___	If any, were interfund transfers correctly identified in the financial statements?
7.	X	___	___	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.	___	X		In the fiscal year audited, did any deobligation of funds occur as a result of an excess of funds allocated to programs?
9.	___	___	X	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.	___	___	X	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.	___	X		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.	___	X		Were any unfavorable budget variances identified in the Individual Statement of Revenues, Budget, Actual, and Variance of the fiscal year audited?
13.	___	___	X	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.	X			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.	X		Is separate accountability maintained for TDCJ-CJAD funds; i.e., fund accounting of self-balancing funds?
16.	X		Is the modified accrual basis of accounting used in preparing the fourth quarter reports for submission to TDCJ-CJAD?
17.	X		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.	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, Special

				Grant Conditions, and applicable laws?
19.	X			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.	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 (i.e. Community Supervision Fees)?
21.	X			If collected, did the CSCD assess a reasonable administrative fee of not less than $25 and not more than $60?
22.		X		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.	X			Did the CSCD collect fees for **pretrial intervention programs** in of the fiscal year audited?
24.	X			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.	X			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.		X		If collected, did any single transaction administrative fee exceed the allowable $2?
27.		X		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.	X			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.	X			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.	X	___	Are all of the CSCD's funds and collections deposited in the county treasury (county's bank account)?
31.	X	___	Are all of the CSCD's funds and collections disbursed by the county treasurer on behalf of the CSCD?
32.	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?

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.	___	X	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.	___	X	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.	___	X	Did the CSCD maintain **petty cash utilizing the CSCD's funds** authorized by the county auditor in the fiscal year audited?
36.	___	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?
37.	___	X	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.	___	_X_	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.	_X_	___	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.	_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?
41.	_X_	___	Were there any differences identified in the Schedule of Differences?
42.	_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?

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.	___	_X_	Were there any instances of deficiencies in internal control noted by the auditor?
44.	___	_X_	Were there any instances of non-compliance noted by the auditor?
45.	___	_X_	Were there any instances of fraud noted by the auditor?
46.	___	_X_	Were there any instances of waste noted by the auditor?
47.	___	_X_	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. ___ ___ _X_ Do any action plans exist for significant findings from prior year audits?

49. ___ ___ _X_ 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. _X_ ___ 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: