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

ANNUAL FINANCIAL REPORT
AUGUST 31, 2016

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Annual Financial Report
August 31, 2016

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271st Judicial District
Community Supervision and Corrections Department
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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 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, 2016, 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 there on dated February 10, 2017.

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.

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

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, 2016, 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 10, 2017, 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 10, 2017

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, 2016

	TDCJ - CJAD				
	Basic Supervision Program	Community Corrections Program	Treatment Alternatives to Incarceration Program	Diversion Program	2016 Combined Total
Assets					
Cash	$ 545,285	$ 1,483	$ 50,877	$ 1,336	$ 598,981
Accounts Receivable					
Due From -					
Jack County - Fees	5,281	-	-	-	5,281
Wise County - Fees	67,543	-	-	-	67,543
Wise County - Interest	174	-	-	-	174
TDCJ-CJAD	17,271	-	-	-	17,271
Total Accounts Receivable	90,269	-	-	-	90,269
Total Assets	$ 635,554	$ 1,483	$ 50,877	$ 1,336	$ 689,250
Liabilities and Fund Balance					
Liabilities:					
Accounts Payable	$ 2,718	$ -	$ 9,228	$ -	$ 11,946
Accrued Salaries and Benefits	8,920	1,483	766	1,336	12,505
Total Liabilities	11,638	1,483	9,994	1,336	24,451
Fund Balance	623,916	-	40,883	-	664,799
Total Liabilities and Fund Balance	$ 635,554	$ 1,483	$ 50,877	$ 1,336	$ 689,250

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, 2016

	Basic Supervision Program	Community Corrections Program	Treatment Alternatives to Incarceration Program	Diversion Program	2016 Combined Total
Revenues:					
State Aid	$ 183,094	$ 118,525	$ 226,359	$ 81,115	$ 609,093
State Aid: SAFPF	15,824	-	-	-	15,824
Community Supervision Fees	832,132	-	-	-	832,132
Payment by Program Participants	14,087	-	-	-	14,087
Interest Income	1,641	-	-	-	1,641
Other Revenue	21,664	-	-	-	21,664
Total Revenues	1,068,442	118,525	226,359	81,115	1,494,441
Expenditures:					
Salaries and Fringe Benefits	930,860	117,876	69,299	133,613	1,251,648
Travel and Furnished Transportation	22,927	2,121	-	-	25,048
Contract Services for Offenders	233	-	120,737	-	120,970
Professional Fees	6,313	899	1,698	609	9,519
Supplies and Operating Expenses	39,449	284	-	-	39,733
Utilities	17,121	-	-	-	17,121
Equipment	8,692	-	-	-	8,692
Total Expenditures	1,025,595	121,180	191,734	134,222	1,472,731
Excess of Revenues over (under) Expenditures	42,847	(2,655)	34,625	(53,107)	21,710
Other Financing Sources (Uses):					
Transfer in	-	2,655	4,128	53,107	59,890
Transfer out	(59,890)	-	-	-	(59,890)
Total Other Financing Sources (Uses)	(59,890)	2,655	4,128	53,107	-
Fund Balance, September 1	694,732	-	-	-	694,732
Prior Period Adjustment	(1,868)	-	2,130	-	262
Prior Period Refund Paid to CJAD	(51,905)	-	-	-	(51,905)
Adjusted Beginning Balance	640,959	-	2,130	-	643,089
Fund Balance, August 31	$ 623,916	$ -	$ 40,883	$ -	$ 664,799

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, 2016

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, 2016 for financial activity performed by August 31, 2016, are considered available. Also purchases for which the commitment has been established by August 31, 2016, 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, 2016. 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, 2016 will be reviewed and approved/disapproved by TDCJ-CJAD. TDCJ-CJAD will not accept budget adjustments after September 30, 2016 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, 2016 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, 2016 was $66,187.

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

Community Corrections (CC) Program Funds
This appropriation line item is allocation based. The funding is based on two equally assigned factors: the percentage of the state's population residing in the counties served by the department and the percentage of all felony defendants in the state under direct community supervision by the department. CSCDs are the only entities eligible for CC 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.

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
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Notes to Financial Statements
August 31, 2016

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)	$ 769,744	These are fees collected from probationers; these fees combined with funds from the state are used to fund CJAD expenses such as salaries, operating expenses, supplies, etc.	Yes
Pre-Trial Diversion Fees (Community Supervision Fees)	$ 62,388	These are fees collected from probationers; these fees combined with funds from the state are used to fund CJAD expenses such as salaries, operating expenses, supplies, etc.	Yes
Transfer Fee (Program Participant Fees)	$ 11,088	These are fees collected from probationers; these fees combined with funds from the state are used to fund CJAD expenses such as salaries, operating expenses, supplies, etc.	Yes
UA Fee (Program Participant Fees)	$ 2,999	These are fees collected from probationers; these fees combined with funds from the state are used to fund CJAD expenses such as salaries, operating expenses, supplies, etc.	Yes
Transactions' Administration Fee (Other Revenue)	$ 20,186	These are fees collected from probationers; these fees combined with funds from the state are used to fund CJAD expenses such as salaries, operating expenses, supplies, etc.	Yes
Welfare Fraud Refund (Other Revenue)	$ 1,478	These are fees collected from probationers; these fees combined with funds from the state are used to fund CJAD expenses such as salaries, operating expenses, supplies, etc.	Yes
Interest Income	$ 1,641	This revenue represents interest earned on deposits in interest-bearing accounts.	Yes

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271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Notes to Financial Statements
August 31, 2016

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
DA Check Fee	$ 816	Article 102.007 of the Code of Criminal Procedure	Yes
Crime Stoppers	$ 23,061	Local Government Code, Chapter 103, Section 103.021 (6)	Yes
Supervision Fee for Sex Offenders	$ 1,224	Article 42.12, Section 19 (f) of the Code of Criminal Procedure	Yes
Refund	$ 4,109	Overpayments received from probationers in the mail. Refunds are mailed back to the probationers for the amount that was overpaid.	Yes
Victim Impact Panel	$ 30	Paid directly to MADD within certain timelines.	Yes
Victim Restitution	$ 154,263	Government Code 76.013, paid directly to victim within certain timelines.	Yes
Court Costs (includes court fines and attorney fees)	$ 212,701	Local Government Code, Chapter 113, Section 113.022	Yes
Bond Supervision Fees	$ 22,402	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, 2016 are all $0.

Note 5 – Cash, Petty Cash and Investments

The CSCD's deposits were held by the First Financial Bank at August 31, 2016. 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(c) and Local Government Code 140.003(f).

Note 5 – Cash, Petty Cash and Investments (continued)

The CSCD does not carry any 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
Professional Fees	$ -	$ 10	$ -	$ -	$ -
Total Negative Variances	$ -	$ 10	$ -	$ -	$ -

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

Basic Supervision Program
No expenses were over budget for this program.

Community Corrections Program
The over-expenditure of Professional Fees is not more than the $15,000 or 15% rule.

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, 2016

The CSCD reported accounts receivable at August 31, 2016 of $90,269, of which $67,543 was receivable from Wise County for local fees, $5,281 was receivable from Jack County for local fees, $17,271 was receivable from the State (TDCJ-CJAD), and $174 was receivable from Wise County for interest in the collection clearing account. The CSCD reported accounts payable at August 31, 2016 of $11,946, of which all was payable to vendors of the CSCD.

Note 8 – Interfund Transfers

The CSCD reported interfund transfers out of $59,890 from the Basic Supervision Program at August 31, 2016; of which $2,655 was transferred to the Community Corrections Program, $4,128 to the Treatment Alternatives to Incarceration Program, $33,374 to the Diversion Program - Mentally Impaired Caseload, and $19,733 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, 2016.

Note 10 – Commitments and Contingencies

The CSCD did not have any commitments and/or contingencies at August 31, 2016.

Note 11 – Prior Period Adjustments

For the fiscal year ended August 31, 2016, the CSCD reported prior period adjustments of ($1,868) 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, 2014 and $2,130 for the Treatment Alternatives to Incarceration Program related to a refund from a vendor for overcharges from fiscal year ended August 31, 2015.

Note 12 - Refunds

The CSCD reported a prior period refund paid to CJAD of $51,905 for Basic Supervision in the fiscal year ended August 31, 2016.

Note 13 – Subsequent Events

The CSCD did not report any subsequent events for the fiscal year ended August 31, 2016.

Note 14 – Defined Benefit Pension Plans

Plan Description

The CSCD through Wise County participates as one of 701 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.

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.

Note 14 – Defined Benefit Pension Plans (continued)

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 10.57% and 10.28% in calendar years 2015 and 2016, respectively. The CSCD's and employee's contributions to TCDRS for the year ended August 31, 2016 were $109,652 and $68,460, respectively, and were equal to the required contributions.

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

Note 15 – Postemployment Benefits Other Than Pensions

Plan Description

The CSCD, through Wise County, participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County and District Retirement System (TCDRS). This plan is referred to as the Group Term Life Fund (GTLF). This optional plan provides group term life insurance coverage to current eligible employees and, if elected by employers, to retired employees. The coverage provided to retired employees is a postemployment benefit other than pension benefits (OPEB). Retired employees are insured for $5,000.

The GTLF is a separate trust administered by TCDRS board of trustees. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the GTLF. This report may also be obtained by writing to the Texas County and District Retirement System, P.O. Box 2034, Austin, TX 78768-2034, or by calling 800-823-7782. TCDR's CAFR is also available at www.tcdrs.org.

Funding Policy

Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance.

Additional OPEB plan disclosures for Wise County, as a whole, are available in Wise County's annual audit report. The CSCD's contribution to the GTLF for the years ending August 31, 2016, 2015, and 2014 was $3,066, $2,846, and $2,900, respectively, which equaled the contractually required contribution.

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, 2016

	Diversion Program - Mentally Impaired Caseload	Diversion Program - Specialized Substance Abuse Caseload	Total Diversion Program
Revenues:			
State Aid	$ 36,115	$ 45,000	$ 81,115
Total Revenues	36,115	45,000	81,115
Expenditures:			
Salaries and Fringe Benefits	69,218	64,395	133,613
Professional Fees	271	338	609
Total Expenditures	69,489	64,733	134,222
Excess of Revenues (under) Expenditures	(33,374)	(19,733)	(53,107)
Other Financing Sources (Uses):			
Interfund Transfer In	33,374	19,733	53,107
Fund Balance, September 1	-	-	-
Fund Balance, August 31	$ -	$ -	$ -

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, 2016

	2016		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
State Aid	$ 183,094	$ 183,094	$ -
State Aid: SAFPF	15,823	15,824	1
Community Supervision Fees	832,132	832,132	-
Payment by Program Participants	14,087	14,087	-
Interest Income	1,640	1,641	1
Other Revenue	21,663	21,664	1
Total Revenues	1,068,439	1,068,442	3
Expenditures:			
Salaries and Fringe Benefits	930,861	930,860	1
Travel and Furnished Transportation	22,930	22,927	3
Contract Services for Offenders	233	233	-
Professional Fees	6,313	6,313	-
Supplies and Operating Expenses	665,218	39,449	625,769
Utilities	17,121	17,121	-
Equipment	8,692	8,692	-
Total Expenditures	1,651,368	1,025,595	625,773
Excess of Revenues over (under) Expenditures	(582,929)	42,847	625,776
Other Financing Sources (Uses):			
Interfund Transfer Out	(59,897)	(59,890)	7
Fund Balance, September 1	694,732	694,732	-
Prior Period Adjustment	-	(1,868)	(1,868)
Prior Period Refund Paid to CJAD	-	(51,905)	(51,905)
Adjusted Beginning Balance	694,732	640,959	(53,773)
Fund Balance, August 31	$ 51,906	$ 623,916	$ 572,010

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, 2016

	2016		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
State Aid	$ 118,525	$ 118,525	$ -
Total Revenues	118,525	118,525	-
Expenditures:			
Salaries and Fringe Benefits	117,879	117,876	3
Travel and Furnished Transportation	2,121	2,121	-
Professional Fees	889	899	(10)
Supplies and Operating Expenses	294	284	10
Total Expenditures	121,183	121,180	3
Excess of Revenues (under) Expenditures	(2,658)	(2,655)	(3)
Other Financing Sources (Uses):			
Interfund Transfer In	2,658	2,655	3
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, 2016

	2016		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
State Aid	$ 226,359	$ 226,359	$ -
Total Revenues	226,359	226,359	-
Expenditures:			
Salaries and Fringe Benefits	69,303	69,299	4
Contract Services for Offenders	159,486	120,737	38,749
Professional Fees	1,698	1,698	-
Total Expenditures	230,487	191,734	38,753
Excess of Revenues over (under) Expenditures	(4,128)	34,625	38,753
Other Financing Sources (Uses):			
Interfund Transfer In	4,128	4,128	-
Fund Balance, September 1	-	-	-
Prior Period Adjustment	-	2,130	2,130
Adjusted Beginning Fund Balance	-	2,130	2,130
Fund Balance, August 31	$ -	$ 40,883	$ 40,883

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, 2016

	2016		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
State Aid	$ 36,115	$ 36,115	$ -
Total Revenues	36,115	36,115	-
Expenditures:			
Salaries and Fringe Benefits	69,220	69,218	2
Professional Fees	271	271	-
Total Expenditures	69,491	69,489	2
Excess of Revenues (under) Expenditures	(33,376)	(33,374)	(2)
Other Financing Sources (Uses):			
Interfund Transfer In	33,376	33,374	2
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 - Diversion Program - Specialized Substance Abuse Caseload
For Fiscal Year Ended August 31, 2016

	2016		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
State Aid	$ 45,000	$ 45,000	$ -
Total Revenues	45,000	45,000	-
Expenditures:			
Salaries and Fringe Benefits	64,397	64,395	2
Professional Fees	338	338	-
Total Expenditures	64,735	64,733	2
Excess of Revenues (under) Expenditures	(19,735)	(19,733)	2
Other Financing Sources (Uses):			
Interfund Transfer In	19,735	19,733	(2)
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 Report as Submitted to TDCJ-CJAD - Basic Supervision Program
For Fiscal Year Ended August 31, 2016

	Audit	CSCD Report	Difference	
Revenues:				
State Aid	$ 183,094	$ 183,094	$ -	
State Aid : SAFPF	15,824	15,824	-	
Community Supervision Fees	832,132	832,132	-	
Payment by Program Participants	14,087	14,087	-	
Interest Income	1,641	1,641	-	
Other Revenue	21,664	21,664	-	
Total Revenues	1,068,442	1,068,442	-	
Expenditures:				
Salaries and Fringe Benefits	930,860	930,860	-	
Travel and Furnished Transportation	22,927	22,927	-	
Contract Services for Offenders	233	141	92	A
Professional Fees	6,313	6,221	92	B
Supplies and Operating Expenses	39,449	39,633	(184)	A and B
Utilities	17,121	17,373	(252)	C
Equipment	8,692	8,440	252	C
Total Expenditures	1,025,595	1,025,595	-	
Excess of Revenues over Expenditures	42,847	42,847	-	
Other Financing Sources (Uses):				
Interfund Transfer Out	(59,890)	(59,890)	-	
Fund Balance, September 1	694,732	694,732	-	
Prior Period Adjustment	(1,868)	(1,868)	-	
Prior Period Refund Paid to CJAD	(51,905)	(51,905)	-	
Adjusted Beginning Fund Balance	640,959	640,959	-	
Fund Balance, August 31	$ 623,916	$ 623,916	$ -	

Note A: Difference due to two disbursements written in 2nd quarter that were reported on the quarterly report as Supplies and Operating Expenses and were later reclassed to Contract Services for Offenders to properly report expense.

Note B: Difference due to one disbursement written in the 3rd quarter that was reported on the quarterly report as Supplies and Operating Expenses and was later reclassed to Professional Fees to properly report expense.

Note C: Difference due to one disbursement written in 3rd quarter that was reported on the quarterly report as Utilities and was later reclassed to Equipment to properly report expense.

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
Report as Submitted to TDCJ-CJAD - Community Corrections Program
For Fiscal Year Ended August 31, 2016

	Audit	CSCD Report	Difference
Revenues:			
State Aid	$ 118,525	$ 118,525	$ -
Total Revenues	118,525	118,525	-
Expenditures:			
Salaries and Fringe Benefits	117,876	117,876	-
Travel and Furnished Transportation	2,121	2,121	-
Professional Fees	899	899	-
Supplies and Operating Expenses	284	284	-
Total Expenditures	121,180	121,180	-
Excess of Revenues (under) Expenditures	(2,655)	(2,655)	-
Other Financing Sources (Uses):			
Interfund Transfer In	2,655	2,655	-
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 Report as Submitted to TDCJ-CJAD - Treatment Alternatives to Incarceration Program
For Fiscal Year Ended August 31, 2016

	Audit	CSCD Report	Difference	
Revenues:				
State Aid	$ 226,359	$ 226,359	$ -	
Total Revenues	226,359	226,359	-	
Expenditures:				
Salaries and Fringe Benefits	69,299	69,300	(1)	A
Contract Services for Offenders	120,737	120,737	-	
Professional Fees	1,698	1,698	-	
Total Expenditures	191,734	191,735	(1)	A
Excess of Revenues over Expenditures	34,625	34,624	1	A
Other Financing Sources (Uses):				
Interfund Transfer In	4,128	4,128	-	
Fund Balance, September 1	-	-	-	
Prior Period Adjustment	2,130	2,130	-	
Adjusted Beginning Fund Balance	2,130	2,130	-	
Fund Balance, August 31	$ 40,883	$ 40,882	$ 1	A

Note A: Difference due to rounding of cents to dollars on current year audit 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 Report as Submitted to TDCJ-CJAD - Diversion Program -
Mentally Impaired Caseload
For Fiscal Year Ended August 31, 2016

	Audit	CSCD Report	Difference
Revenues:			
State Aid	$ 36,115	$ 36,115	$ -
Total Revenues	36,115	36,115	-
Expenditures:			
Salaries and Fringe Benefits	69,218	69,218	-
Professional Fees	271	271	-
Total Expenditures	69,489	69,489	-
Excess of Revenues (under) Expenditures	(33,374)	(33,374)	-
Other Financing Sources (Uses):			
Interfund Transfer In	33,374	33,374	-
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 Report as Submitted to TDCJ-CJAD - Diversion Program -
Specialized Substance Abuse Caseload
For Fiscal Year Ended August 31, 2016

	Audit	CSCD Report	Difference
Revenues:			
State Aid	$ 45,000	$ 45,000	$ -
Total Revenues	45,000	45,000	-
Expenditures:			
Salaries and Fringe Benefits	64,395	64,395	-
Professional Fees	338	338	-
Total Expenditures	64,733	64,733	-
Excess of Revenues (under) Expenditures	(19,733)	(19,733)	-
Other Financing Sources (Uses):			
Interfund Transfer In	19,733	19,733	-
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



SNOW GARRETT 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, 2016, 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 10, 2017.

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 10, 2017

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, 2016

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, 2016

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, 2016

2015-001 Significant Deficiency

Reportable Condition
Wise County CSCD did not appropriately calculate and prepare the final Community Corrections Program (CCP) budget adjustment for the Supplies and Operating Expenses line item which resulted in an over-expenditure of this line item in excess of the $15,000 or 15% rule for the fiscal year ended August 31, 2015.

Follow-up
Wise County CSCD did not report any over-expenditure of budgets in excess of the $15,000 or 15% rule for the fiscal year ended August 31, 2016.

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, 2016

Fiscal Year 2016 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	
1.	X			Is separate accountability maintained for TDCJ-CJAD funds; i.e., fund accounting of self-balancing funds? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
2.	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.
3.	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.
4.	X			Are proper cutoff procedures observed at the end of each fiscal period? The cutoff date for revenues recognition and expenditures payments of FY 2016 is **October 31, 2016.**
5.	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 Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
6.		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.
7.	X			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.
8.	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.
9.	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* Pages 8-10)). 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, 2016

10.	X		Are all of the CSCD's funds and collections deposited in the county treasury (county's bank account)? (*FMM* Pages 7-8; Government Code, Section 509.011; Local Government Code, Section 140.003 (f); and Attorney General's Opinion DM-257, dated September 15, 1993) If not, explain in the Notes to the Financial Statements and include in the Schedule of Findings and Questioned Costs.
11.	X		Are all of the CSCD's funds and collections disbursed by the county treasurer on behalf of the CSCD? (*FMM* Pages 7-8; Government Code, Section 509.011; Local Government Code, Section 140.003 (f); and Attorney General's Opinion DM-257, dated September 15, 1993) If not, explain in the Notes to the Financial Statements and include in the Schedule of Findings and Questioned Costs.
12.	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* Pages 7-8) If not, explain in the Notes to the Financial Statements and include in the Schedule of Findings and Questioned Costs.
13.	X		Did the Fiscal Officer follow the applicable laws, guidelines, and duties as specified on Pages 34-38 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.
14.	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* Pages 39-40) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
15.		X	Were there any instances of fraud, non-compliance, waste, or abuse noted by the auditor (Chapter 4, Item 4.25 *Government Auditing Standards*)? If yes, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
16.	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? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
17.	X		Is equipment physically inventoried and adequately supported with an inventory form? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
18.	X		Is surplus equipment disposed of in accordance with TDCJ-CJAD guidelines? (*FMM* Page 27-28) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
19.	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.

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, 2016

20.	___	___	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* Pages 28-29) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
21.	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, 2016,** and in accordance with the *Financial Management Manual for TDCJ-CJAD Funding*? (*FMM* Pages 8-10) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
22.	X	___	___	Are all non-TDCJ-CJAD funded program fees expended in accordance with applicable limitations; i.e., civil fees, Federal grants, bond fees, sex offender fees, crime victims compensation fund fees, etc.? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
23.	X	___	___	Are Victim Restitution Funds accounted for in accordance with Texas Government Code, Section 76.013, and are unclaimed funds tracked for the required five-year period prior to sending to the State Comptroller? (*FMM* Page 31) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
24.	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 of these Guidelines) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
25.	X	___	___	Does the CSCD have a policy regarding eligibility for employee salary merit increases, if merit or one-time increases are given? (*FMM* Page 50) 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.
26.	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.

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, 2016

27.	___	___	X	Are petty cash funds (not change funds) authorized by the county auditor or fiscal officer? (*FMM*, Pages 8, 21-22, 27 and 38) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
28.	___	___	X	Are petty cash funds used only for specific purposes for allowable items as listed in the *Financial Management Manual for TDCJ-CJAD Funding* and expended only for emergency situations authorized by a written policy and approved by the CSCD director? (*FMM*, Pages 8, 21-22, 27 and 38) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
29.	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* Pages 23, 32 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.
30.	___	___	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* Pages 24-25) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
31.	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 collected and accounted for by the CSCD and remitted to the State Comptroller? (*FMM* Pages 30-31) If fees are collected, include them in the Note to the Financial Statements for funds not required to be budgeted. If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

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, 2016

32.	___	___	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. If these fees were collected, were they remitted to the State Comptroller in compliance with the timelines outlined by the State Comptroller's Office? (*FMM* Page 31) If these fees are collected, include in the Note to the Financial Statements for funds not required to be budgeted. If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
33.	X	___	___	Were pretrial diversion/intervention fees properly collected and accounted for as payments by program participants or as community supervision fees? (*FMM* Pages 31-32, 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.
34.	X	___	___	Is there proper identification on motor vehicles that are issued exempt license plates? (*FMM* Page33, Transportation Code, Chapter 721) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
35.	X	___	___	Is the transactions' administrative fee, if collected, accounted for on a consistent basis? (*FMM* Page 33) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
36.	X	___	___	Were interfund transfers, if any, correctly identified in the financial statements (*FMM*, Pages 16-17)? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
37.	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* Page 37) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
38.	X	___	___	Do action plans exist for all significant findings from prior audits, if applicable, and are action plans current? (Chapter 4, Item 4.05, Government Auditing Standards) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.