SNOWGARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

February 18, 2020

Wise County Community Supervision and
Corrections Department
Decatur, Texas

We have audited the financial statements of the Wise County Community Supervision and Corrections Department for the year ended August 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated September 16, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Wise County Community Supervision and Corrections Department (CSCD) are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2019. We noted no transactions entered into by Wise County CSCD during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 18, 2020.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

Restriction of Use

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

Very truly yours,

Snow Garrett Williams

Snow Garrett Williams

BK 208 PG 120

WISE COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT

ANNUAL FINANCIAL REPORT
AUGUST 31, 2019

Wise County
Community Supervison and Corrections Department
August 31, 2019

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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, 2019, and the respective 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 based on 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 18, 2020, 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.

Wise County Community Supervision and
Corrections Department

Restriction of Use

This report is intended solely for the information and use of the management of 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 18, 2020

BK 208 PG 726

FINANCIAL STATEMENTS

Wise County Community Supervision and Corrections Department
Combined Statement of Financial Position
August 31, 2019

	Basic Supervision	Community Corrections	TAIP	Diversion Programs	Total
Assets					
Cash and Investments	$ 809,652	$ 2,810	$ 27,982	$ 2,626	$ 843,070
Accounts Receivable					
Due From -					
Jack County	5,858	-	-	-	5,858
Wise County	69,535	-	-	-	69,535
Interest	121	-	-	-	121
Other	87	-	-	-	87
Total Accounts Receivable	75,601	-	-	-	75,601
Total Assets	$ 885,253	$ 2,810	$ 27,982	$ 2,626	$ 918,671
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	$ 4,312	$ 30	$ 12,091	$ 28	$ 16,461
Accrued Salaries and Benefits	19,340	2,780	1,431	2,598	26,149
Due to TDCJ-CJAD	-	-	14,460	-	14,460
Total Liabilities	23,652	2,810	27,982	2,626	57,070
Fund Balance	861,601	-	-	-	861,601
Total Liabilities and Fund Balance	$ 885,253	$ 2,810	$ 27,982	$ 2,626	$ 918,671

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, 2019

	Basic Supervision	Community Corrections	TAIP	Diversion Programs	Total
Revenue					
State Aid	$ 37,537	$ 130,751	$ 234,000	$ 85,615	$ 487,903
Total State Aid Not Including SAFPF	37,537	130,751	234,000	85,615	487,903
State Aid: SAFPF	9,268	-	-	-	9,268
Community Supervision Fees	932,213	-	-	-	932,213
Payment by Program Participants	18,093	-	-	-	18,093
Interest Income	28,364	-	-	-	28,364
Other Revenue	25,103	-	-	-	25,103
Total Revenue	1,050,578	130,751	234,000	85,615	1,500,944
Expenditures					
Salaries and Fringe Benefits	1,034,571	152,089	78,120	141,381	1,406,161
Travel and Furnished Transportation	51,619	-	-	-	51,619
Contract Services for Offenders	187	-	150,434	-	150,621
Professional Fees	24,506	980	1,755	642	27,883
Supplies and Operating Expenses	38,141	-	-	-	38,141
Utilities	6,646	-	-	-	6,646
Equipment	13,527	-	-	-	13,527
Total Expenditures	1,169,197	153,069	230,309	142,023	1,694,598
Excess of Revenue over (under) Expenditures	(118,619)	(22,318)	3,691	(56,408)	(193,654)
Other Financing Sources (Uses)					
Basic Supervision Interfund Transfer	(88,731)	22,318	10,005	56,408	-
Total Other Financing Sources (Uses)	(88,731)	22,318	10,005	56,408	-
Prior Year Ending Fund Balance	1,068,951	-	764	-	1,069,715
Refund Due to TDCJ-CJAD	-	-	(14,460)	-	(14,460)
Audited Year Ending Fund Balance	$ 861,601	$ -	$ -	$ -	$ 861,601

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
August 31, 2019

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 the purposes for which they may be spent and the means by which the spending activities are controlled for the specific activities in accordance with laws, regulations, or other restrictions. Revenues and expenditures are accounted for using either the cash basis of accounting or the modified accrual basis of accounting until the last quarter when the modified accrual basis of accounting must be used.

The modified accrual basis of accounting is followed in that revenues are recorded when susceptible to accrual; i.e., earned, measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities 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.

Wise County Community Supervision and Corrections Department
Notes to the Financial Statements
August 31, 2019

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. Pursuant to Government Code, Section 76.004 and 76.002, the budgets governing the funding to the programs are prepared biennially, then approved by the district judges and the criminal court-at-law judges with jurisdiction over the department and by the TDCJ-CJAD. 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 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, 2019.

NOTE 3 – DEOBLIGATIONS

The CSCD did not have any deobligated funds for the fiscal year ended August 31, 2019.

NOTE 4 – INTERFUND TRANSFERS

The CSCD reported interfund transfers out of the Basic Supervision Program in the amount of $88,731 for the fiscal year ended August 31, 2019. The transfer is comprised of $22,318 transferred to the Community Corrections Program, $10,005 to the Treatment Alternatives to Incarceration Program (TAIP), $29,327 to the Diversion Program - Mentally Impaired Caseload, and $27,081 to the Diversion Program - Specialized Substance Abuse Caseload. The interfund transfers were a result of the need to cover negative fund balances during the fiscal year ended August 31, 2019.

NOTE 5 – PRIOR PERIOD ADJUSTMENTS

The CSCD did not have any prior period adjustments for the fiscal year ended August 31, 2019.

NOTE 6 - REFUNDS

For the fiscal year ended August 31, 2019, the CSCD reported a biennium refund for the Treatment Alternatives to Incarceration Program (TAIP) of $14,460.

Wise County Community Supervision and Corrections Department
Notes to the Financial Statements
August 31, 2019

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

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 CSCD's deposits were held by the First Financial Bank at August 31, 2019. The CSCD'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 CSCD's state aid and net funds (revenues) received were deposited and held, and collection accounts' remaining net funds (revenues) were transferred into a special fund of the County Treasury, on or before the next regular business day, or on or before the fifth business day after the day on which the money was received. All the CSCD's state aid and net funds (revenues) received were held, deposited, disbursed, invested, and otherwise cared for by the County on behalf of the CSCD as the CSCD directed (Government Code 509.011(c) and Local Government Code 113.022 and 140.003(f)).

The CSCD employees who have access to, maintain, and administer public funds are covered by a surety bond.

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 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 in which actual amounts exceed budgeted amounts by more than $15,000 or by a percentage higher than 15% for the fiscal year ended August 31, 2019.

Wise County Community Supervision and Corrections Department
Notes to the Financial Statements
August 31, 2019

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	$ 738,106	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
Pretrial Intervention Fees	$ 194,107	*Financial Management Manual for TDCJ-CJAD Funding* restrictions; Texas Code of Criminal Procedure Chapter 102.012.	Yes
Community Supervision Fees Collected	$ 932,213	Texas Code of Criminal Procedure Art. 42A.652 (a); *Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
Payments by Program Participants			
Transfer Fees	$ 12,828	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
UA Fees	$ 5,265	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
Total Payments by Program Participants	$ 18,093		
Interest Income	$ 28,364	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
Other Revenue			
Transaction Administrative $2 Fees	$ 21,027	*Financial Management Manual for TDCJ-CJAD Funding* restrictions. *Article 102.072, Code of Criminal Procedure*	Yes
Welfare Fraud Refund	$ 1,495	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
Sale of Assets	$ 2,581	*Financial Management Manual for TDCJ-CJAD Funding* restrictions.	Yes
Total Other Revenue	$ 25,103		

Wise County Community Supervision and Corrections Department
Notes to the Financial Statements
August 31, 2019

NOTE 10 – COMMITMENTS AND CONTINGENCIES

The CSCD did not have any commitments and/or contingencies at August 31, 2019.

NOTE 11 – SUBSEQUENT EVENTS

The CSCD evaluated subsequent events through February 18, 2020, 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, 2019.

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, 2019.

BK 208 PG 735

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, 2019

	Mentally Impaired Caseload	Specialized Substance Abuse Caseload	Total All DP Funds
Revenue			
State Aid	$ 36,115	$ 49,500	$ 85,615
Total Revenue	36,115	49,500	85,615
Expenditures			
Salaries and Fringe Benefits	65,171	76,210	141,381
Professional Fees	271	371	642
Total Expenditures	65,442	76,581	142,023
Excess of Revenue over (under) Expenditures	(29,327)	(27,081)	(56,408)
Other Financing Sources (Uses)			
Basic Supervision Interfund Transfer	29,327	27,081	56,408
Total Other Financing Sources (Uses)	29,327	27,081	56,408
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, 2019
Basic Supervision

	Budget	Actual	Variance Favorable (Unfavorable)
Type of Revenue			
Requested TDCJ-CJAD Funding (State Aid)	$ 37,537	$ 37,537	$ -
State Aid: SAFPF	9,268	9,268	-
Community Supervision Fees Collected	932,213	932,213	-
Payment by Program Participants	18,093	18,093	-
Interest Income	28,363	28,364	1
Carry Over from Previous FY (Prior Year Ending Fund Balance)	1,068,952	1,068,951	(1)
Other Revenue	25,102	25,103	1
Basic Supervision Interfund Transfer	(88,730)	(88,731)	(1)
Total Revenue	2,030,798	2,030,798	-
Type of Expenditures			
Salaries and Fringe Benefits	1,034,573	1,034,571	2
Travel and Furnished Transportation	51,621	51,619	2
Contract Services for Offenders	187	187	-
Professional Fees	24,506	24,506	-
Supplies and Operating Expenses	899,737	38,141	861,596
Utilities	6,646	6,646	-
Equipment	13,528	13,527	1
Total Expenditures	2,030,798	1,169,197	861,601
Excess of Revenue over (under) Expenditures	-	861,601	861,601
Audited Year Ending Fund Balance - Actuals		$ 861,601	

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, 2019
Community Corrections Program

	Budget	Actual	Variance Favorable (Unfavorable)
Type of Revenue			
Requested TDCJ-CJAD Funding (State Aid)	$ 130,751	$ 130,751	$ -
Carry Over from Previous FY (Prior Year Ending Fund Balance)	-	-	-
Basic Supervision Interfund Transfer	22,318	22,318	-
Total Revenue	153,069	153,069	-
Type of Expenditures			
Salaries and Fringe Benefits	152,088	152,089	(1)
Professional Fees	981	980	1
Total Expenditures	153,069	153,069	-
Excess of Revenue over (under) Expenditures	-	-	-
Audited Year Ending Fund Balance - Actuals		$ -	

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, 2019
Treatment Alternatives to Incarceration Program (TAIP)

	Budget	Actual	Variance Favorable (Unfavorable)
Type of Revenue			
Requested TDCJ-CJAD Funding (State Aid)	$ 234,000	$ 234,000	$ -
Carry Over from Previous FY (Prior Year Ending Fund Balance)	765	764	1
Basic Supervision Interfund Transfer	10,004	10,005	1
Total Revenue	244,769	244,769	2
Type of Expenditures			
Salaries and Fringe Benefits	78,120	78,120	-
Contract Services for Offenders	164,894	150,434	14,460
Professional Fees	1,755	1,755	-
Total Expenditures	244,769	230,309	14,460
Excess of Revenue over (under) Expenditures	-	14,460	14,462
Refund to CJAD Actuals		(14,460)	
Total Refunds - Actuals		(14,460)	
Audited Year Ending Fund Balance - Actuals		$ -	

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, 2019
Diversion Program - Mentally Impaired Caseload

	Budget	Actual	Variance Favorable (Unfavorable)
Type of Revenue			
Requested TDCJ-CJAD Funding (State Aid)	$ 36,115	$ 36,115	$ -
Carry Over from Previous FY (Prior Year Ending Fund Balance)	-	-	-
Basic Supervision Interfund Transfer	29,327	29,327	-
Total Revenue	65,442	65,442	-
Type of Expenditures			
Salaries and Fringe Benefits	65,171	65,171	-
Professional Fees	271	271	-
Total Expenditures	65,442	65,442	-
Excess of Revenue over (under) Expenditures	-	-	-
Audited Year Ending Fund Balance - Actuals		$ -	

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, 2019
Diversion Program - Specialized Substance Abuse Caseload

	Budget	Actual	Variance Favorable (Unfavorable)
Type of Revenue			
Requested TDCJ-CJAD Funding (State Aid)	$ 49,500	$ 49,500	$ -
Carry Over from Previous FY (Prior Year Ending Fund Balance)	-	-	-
Basic Supervision Interfund Transfer	27,081	27,081	-
Total Revenue	76,581	76,581	-
Type of Expenditures			
Salaries and Fringe Benefits	76,209	76,210	(1)
Professional Fees	372	371	1
Total Expenditures	76,581	76,581	-
Excess of Revenue over (under) Expenditures	-	-	-
Audited Year Ending Fund Balance - Actuals		$ -	

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, 2019

	Actual	Per CSCD Quarterly Report	Difference *
Revenue			
State Aid	$ 37,537	$ 37,537	$ -
Total State Aid Not Including SAFPF	37,537	37,537	-
State Aid: SAFPF	9,268	9,268	-
Community Supervision Fees	932,213	932,213	-
Payment by Program Participants	18,093	18,093	-
Interest Income	28,364	28,364	-
Other Revenue	25,103	25,103	-
Total Revenue	1,050,578	1,050,578	-
Expenditures			
Salaries and Fringe Benefits	1,034,571	1,034,571	-
Travel and Furnished Transportation	51,619	51,619	-
Contract Services for Offenders	187	187	-
Professional Fees	24,506	24,506	-
Supplies and Operating Expenses	38,141	38,141	-
Utilities	6,646	6,646	-
Equipment	13,527	13,527	-
Total Expenditures	1,169,197	1,169,197	-
Excess of Revenue over (under) Expenditures	(118,619)	(118,619)	-
Other Financing Sources (Uses)			
Basic Supervision Interfund Transfer	(88,731)	(88,730)	(1)
Prior Year Ending Fund Balance	1,068,951	1,068,952	(1)
Audited Year Ending Fund Balance	$ 861,601	$ 861,603	$ (2)

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

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
Community Corrections Program
For the Year Ended August 31, 2019

	Actual	Per CSCD Quarterly Report	Difference
Revenue			
State Aid	$ 130,751	$ 130,751	$ -
Total Revenue	130,751	130,751	-
Expenditures			
Salaries and Fringe Benefits	152,089	152,089	-
Professional Fees	980	980	-
Total Expenditures	153,069	153,069	-
Excess of Revenue over (under) Expenditures	(22,318)	(22,318)	-
Other Financing Sources (Uses)			
Basic Supervision Interfund Transfer	22,318	22,318	-
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
Treatment Alternatives to Incarceration Program (TAIP)
For the Year Ended August 31, 2019

	Actual	Per CSCD Quarterly Report	Difference *
Revenue			
State Aid	$ 234,000	$ 234,000	$ -
Total Revenue	234,000	234,000	-
Expenditures			
Salaries and Fringe Benefits	78,120	78,120	-
Contract Services for Offenders	150,434	150,434	-
Professional Fees	1,755	1,755	-
Total Expenditures	230,309	230,309	-
Excess of Revenue over (under) Expenditures	3,691	3,691	-
Other Financing Sources (Uses)			
Basic Supervision Interfund Transfer	10,005	10,004	1
Prior Year Ending Fund Balance	764	765	(1)
Refund Due to CJAD	(14,460)	(14,460)	-
Audited Year Ending Fund Balance	$ -	$ -	$ -

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

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, 2019

	Actual	Per CSCD Quarterly Report	Difference
Revenue			
State Aid	$ 36,115	$ 36,115	$ -
Total Revenue	36,115	36,115	-
Expenditures			
Salaries and Fringe Benefits	65,171	65,171	-
Professional Fees	271	271	-
Total Expenditures	65,442	65,442	-
Excess of Revenue over (under) Expenditures	(29,327)	(29,327)	-
Other Financing Sources (Uses)			
Basic Supervision Interfund Transfer	29,327	29,327	-
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
Diversion Program - Specialized Substance Abuse Caseload
For the Year Ended August 31, 2019

	Actual	Per CSCD Quarterly Report	Difference
Revenue			
State Aid	$ 49,500	$ 49,500	$ -
Total Revenue	49,500	49,500	-
Expenditures			
Salaries and Fringe Benefits	76,210	76,210	-
Professional Fees	371	371	-
Total Expenditures	76,581	76,581	-
Excess of Revenue over (under) Expenditures	(27,081)	(27,081)	-
Other Financing Sources (Uses)			
Basic Supervision Interfund Transfer	27,081	27,081	-
Prior Year Ending Fund Balance	-	-	-
Audited Year Ending Fund Balance	$ -	$ -	$ -

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

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OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION



SNOWGARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

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, 2019, 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 18, 2020.

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.

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*.

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

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 18, 2020

Wise County Community Supervision and Corrections Department
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2019

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, 2019

No corrective action plan necessary.

Wise County Community Supervision and Corrections Department
Follow Up on Prior Year Findings
For the Year Ended August 31, 2019

No prior year findings.

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XIV. TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST

The Compliance Checklist* FORMAT AND CONTENT *are NOT TO BE ATLTERED.
Indicate whether these compliance requirements have been met by answering "YES," "NO," or "N/A" (Not Applicable). If "N/A" is blocked out, then answers must be either "YES" or "NO". *Please contact your Fiscal Auditor if you have any questions.*

	YES	NO	N/A	
FINANCIAL POLICIES AND PROCEDURES *(Questions 1-2)* *An explanation is required to be reported in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs if questions 1 and 2 are answered NO.*				
Duties of the Fiscal Officer, FMM Fiscal Officer, Texas Government Code, Section 76.004 *(Question 1)*				
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 CSCD's 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)* *An explanation is required in the corresponding note of the Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs if questions 3, 5, 7, 10, and 11 are answered NO. All sources identified in questions 4, 6, 8-9 & 11 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.*				
3.	X			Were expenditures and revenues supported by adequate documentation?
Interfund Transfers; FMM Financial Reports, Additional Reporting Requirements *(Questions 4-5)*				
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 and/or DP fund transfers in the fiscal year audited?

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5.	X	___	___	If any, were all interfund transfers and/or DP fund transfers noted during the audit allowable?

Deobligation, Government Code, Chapter 509, Section 509.011 (h), FMM Deobligations *(Questions 6-7)*

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.

6.	___	X	[redacted]	In the fiscal year audited, did any deobligation of funds occur as a result of an excess of funds allocated to programs?
7.	___	___	X	Were the appropriate budget adjustments made for any reallocated funds?

One-Time/Supplemental Payments, FMM Fund Balances/Refund Policy *(Questions 8)*

One-time funding is awarded on a competitive basis. The priorities for distribution are determined biennially. One-time funding consists 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.

8.	___	X	[redacted]	Did the CSCD receive any One-Time Additional Grant Awards and/or Basic Supervision Supplemental Payments in of the fiscal year audited?

Unauthorized Expenditures, FMM Budgets *(Questions 9-10)*

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% rule, they are required to be reported in the Schedule of Findings and Questioned Costs.***

Budget total line item differences either over 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.

9.	X	___	[redacted]	Were any unfavorable budget variances identified in the Individual Statement of Revenues, Budget, Actual, and Variance in the fiscal year audited, including those that **were not** in excess of the 15% rule?
10.	___	X	___	If so, were there any unfavorable budget variances in excess of the 15% rule from the fiscal year audited that resulted in unauthorized expenditure(s) that the CSCD will be required to refund to the TDCJ-CJAD?

Prior Period Adjustments, FMM Financial Reports, Additional Reporting Requirements *(Question 11)*

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.

11.	___	___	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

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adjustments on the quarterly financial report in the period that the funds were paid and returned to TDCJ-CJAD?

BASIS OF ACCOUNTING *(Questions 12-14)*

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 if questions 12-14 are answered NO.

Basis of Accounting Requirements, FMM Fiscal Officer, Duties of the Fiscal Officer and Financial Reports *(Questions 12-14)*

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.

12.	X	___	Was separate accountability maintained for TDCJ-CJAD funds; i.e., fund accounting of self-balancing funds?
13.	X	___	Was the modified accrual basis of accounting used in preparing the fourth quarter reports for submission to TDCJ-CJAD?
14.	X	___	Were 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 15-24)*

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, if questions 15-16, or 24, are answered NO or 18-19, or 22-23 answered YES.

If any of the fees identified in questions 17, 20 and 21 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.

15.	X	___	Were 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?
16.	X	___	Were 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 17-19)*

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).

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17.	___	X	[redacted]	Did the CSCD collect any **administrative fees of $25-$60** from **offender and/or non-offender individuals** who either participate in a TDCJ-CJAD funded program or receive services from the department and who are not paying a monthly fee under Articles 42A Code of Criminal Procedure (i.e. Community Supervision Fees)?
18.	___	___	X	If collected, when the CSCD assessed the administrative fee, did the CSCD assess less than $25 or more than $60 for the fee?
19.	___	___	X	If collected, did the CSCD assess administrative fees of $25-$60 for those individuals who also pay a monthly supervision fee under Articles 42A.652 Code of Criminal Procedure?

Fees for Pretrial Intervention Programs; Texas Code of Criminal Procedure Chapter 102.012, FMM Statutory Requirements *(Questions 20)*

Code of Criminal Procedure Chapter 102 Subchapter A General Costs Article 102.012, Fees for Pretrial Intervention Program states: (a) 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. (b) In addition to or in lieu of the supervision fee authorized by Subsection (a), the court may order the defendant to pay or reimburse a community supervision and corrections department for any other expense that is: (1) incurred as a result of the defendant's participation in the pretrial intervention program, other than an expense described by Article 102.0121; or (2) necessary to the defendant's successful completion of the program.

20.	X	___	[redacted]	Did the CSCD collect fees for **pretrial intervention programs** in the fiscal year audited?

Administrative Fee (i.e. Transaction Administrative Fee); Texas Code of Criminal Procedure, Article 102.072, FMM Statutory Requirements *(Questions 21-24)*

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).

The "transaction" administrative $2 fee is required to be budgeted and reported as Other Revenue in Basic Supervision.

21.	X	___	[redacted]	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?
22.	___	X	___	If collected, did any single **transaction administrative** fee exceed the allowable $2?
23.	___	X	___	If collected, during each transaction, does the CSCD issue separate receipts for each fine, fee, restitution, or other cost paid while charging the $2 **transaction administrative fee** for each receipt?
24.	X	___	___	If collected, was the **transaction administrative fee** budgeted and recorded as Other Revenue in Basic Supervision and accounted for on a consistent basis (FMM Statutory Requirements)?

CASH COLLECTIONS, CHANGE FUND, PETTY CASH *(Questions 25-28)*

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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 included in the Schedule of Findings and Questioned Costs if questions 25-28, 30, 34-35, and 36 are answered NO. 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.

Deposits and Disbursement Requirements, *(Questions 25-28)*

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 (CSCD) 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 (CSCD) as the entity (CSCD) 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. (b) A county treasurer shall deposit the money received under Subsection (a) in the county depository in accordance with Section 116.113(a). In all cases, the treasurer shall deposit the money on or before the seventh business day after the date the treasurer receives the money.

Local Government Code, Section 113.001. COUNTY TREASURER AS CHIEF CUSTODIAN OF MONEY. The county treasurer, as chief custodian of county funds, shall keep in a designated depository and shall account for all money belonging to the county.

Local Government Code, Section 116.113. DEPOSIT OF FUNDS. (a) Immediately after the commissioners court designates a county depository, the county treasurer shall transfer to the depository all of the county's funds and the funds of any district or municipal subdivision of the county that does not select its own depository. The treasurer shall also immediately deposit with the depository to the credit of the county, district, or municipality any money received after the depository is designated.

Local Government Code Section 116.115. CLEARINGHOUSE FOR MULTIPLE DEPOSITORIES. If the funds of a county are deposited with more than one depository, the commissioners court shall by order name one of the depositories to act as a clearinghouse for the others. All county orders for payment are finally payable at the depository named as the clearinghouse.

25.	X	___	Were all the CSCD's state aid and net funds (revenues) received, deposited, and held in a special fund of the county treasury (county's bank account) during the fiscal year audited?
26.	X	___	Were all the CSCD's state aid and net funds (revenues) received: held, deposited, disbursed, invested, and otherwise cared for by the county on behalf of the CSCD, as the CSCD directed during the fiscal year audited?
27.	X	___	Were all the CSCD's state aid and net funds' (revenues) received deposited in the county treasury (county's bank account) within the time period required by Local Government Code 113.022 during the fiscal year audited?
28.	X	___	Were all the CSCD's collection accounts' remaining net funds (revenues) transferred to the county treasury (county's bank account) within the time period required by Local Government Code 113.022 during the fiscal year audited?

Change Fund, Local Government Code, Chapter 130, Section 130.902 (a), FMM Fiscal Change Fund *(Questions 29-30)*

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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.

29.	___	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).*
30.	___	___	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 31-35)*

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)

31.	___	X		Did the CSCD maintain **petty cash** in the fiscal year audited?
32.	___	___	X	Was the petty cash fund maintained by **utilizing the CSCD's funds** authorized by the county auditor?
33.	___	___	X	Was the petty cash fund maintained by **utilizing NON-CSCD revenues** (i.e. vending machine revenues)?
34.	___	___	X	Were **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?
35.	___	___	X	Were **petty cash funds utilizing CSCD's funds** expended only for emergency situations authorized by a written policy and approved by the CSCD director?

Employee Surety Bond Coverage, FMM Employee Surety Bond Coverage *(Question 36)*

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.

36.	X	___		Were all employees who had access to public funds and/or maintained and administered public funds, change funds and petty cash, which cover 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 37)*

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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 if questions 37 is answered NO.

37.	X	___	Were revenues and expenditures as reported to TDCJ-CJAD on the quarterly financial reports in agreement with the funding recipient's accounting records (CSCD's actuals), the last approved budget, and with audited financial statements?

COMPLIANCE AND OTHER MATTERS Standards for Financial Audits; Chapter 4, Item 4.25 Government Auditing Standards *(Questions 38-42)*

An explanation is required to be reported in the Report on Compliance and Internal Control and in the Schedule of Findings and Questioned Costs if questions 38-42 are answered YES.

38.	___	X	Were there any instances of deficiencies in internal control noted by the auditor?
39.	___	X	Were there any instances of non-compliance noted by the auditor?
40.	___	X	Were there any instances of fraud noted by the auditor?
41.	___	X	Were there any instances of waste noted by the auditor?
42.	___	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 43-44)*

An explanation is required to be reported in Schedule of Findings and Questioned Costs for Prior Year if questions 43-44 are answered NO.

43.	___	___	X	Do any action plans exist for significant findings from prior year audits?
44.	___	___	X	If action plans exist from prior year audit findings, are they current?