



SNOWGARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

February 4, 2016

Wise County Community Supervision and
Corrections Department
Decatur, Texas

We have audited the financial statements of the Wise County Community Supervision and Corrections Department (an Agency Fund of Wise County, Texas) for the year ended August 31, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated August 12, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Wise County Community Supervision and Corrections Department are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the Department during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 4, 2016.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

In the fiscal year 2015, we reported the lack of appropriately calculating and preparing budget adjustments submitted to the State. This caused one expenditures line item of one grant program to exceed budget by the \$15,000 or 15%, whichever is greater, rule which according to the Financial Management Manual for TDCJ-CJAD Funding deems this over expenditure to be "unauthorized expenditures."

Other Matters

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

Restriction of Use

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

Very truly yours,

Snow Garrett Williams

Snow Garrett Williams



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

Management Letter

February 4, 2016

Wise County Community Supervision and
Corrections Department
Decatur, Texas

In connection with our audit of the financial statements of the Wise County Community Supervision and Corrections Department (an Agency Fund of Wise County, Texas), as of August 31, 2015, we have made a review of accounting procedures and internal control. While the primary objective of such a review is to afford us a basis of determining the scope of our audit procedures, it nevertheless presents us with an opportunity to submit, for management's consideration, suggestions for changes in procedures, which, in our opinion, could strengthen internal control or contribute to the improvement of operating efficiency.

The comments in this letter are based upon observations made in the course of such a review. The review was not designed for the purpose of expressing an opinion on internal control, and it would not necessarily disclose all weaknesses in the system. The matters discussed herein were considered during our audit of the above-mentioned financial statements, and they did not modify the opinion expressed in our report on those financial statements. However, we offer for your review, comments and recommendations as noted on the following pages.

We have discussed the following comments in detail with the appropriate staff of the CSCD to insure understanding of the comments and implementation of recommendations. If you have any questions regarding these or any other matters, please feel free to contact us.

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

Finally, we take this opportunity to thank you and your staff for your courtesy and cooperation during our audit. Thank you for your business.

Sincerely,

Snow Garrett Williams

Snow Garrett Williams

CURRENT YEAR COMMENTS

Budget Variance

Comment: A budget variance for a line item in the Community Corrections Program existed that exceeded the 15% or \$15,000 rule as defined in the Financial Management Manual for TDCJ-CJAD Funding. This variance appears to be the result of a budget adjustment that was supposed to be made to increase Equipment and reduce Travel and Furnished Transportation, but was incorrectly made to reduce Supplies and Operating Expenses.

Recommendation: We recommend that budget and actual expenditures be monitored and budget adjustments be requested to TDCJ-CJAD as necessary. We also suggest when a requirement is unclear that the Department contact TDCJ-CJAD for clarification.

OBJECTIVE OF INTERNAL CONTROL

The objective of internal control is to provide reasonable, but not absolute, assurance that the Department's assets will be safeguarded against loss from unauthorized use or disposition, and that the reliability of financial records for preparing financial statements and maintaining accountability for assets will be preserved. The concept of reasonable assurance recognizes that the cost of a system of internal control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Control procedures whose effectiveness depends upon the segregation of duties can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projections of any evaluation of the internal control over financial reporting to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

**ANNUAL FINANCIAL REPORT
AUGUST 31, 2015**

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Annual Financial Report
August 31, 2015

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SNOWGARRETT 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, 2015, 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 4, 2016.

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.

Wise County Community Supervision and
Corrections Department

Opinion

In our opinion, the financial statements referred to above 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, 2015, and the changes in financial position thereof 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.

Wise County Community Supervision and
Corrections Department

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2016, 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 4, 2016

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, 2015

	TDCJ - CJAD				
<u>Assets</u>	Basic Supervision Program	Community Corrections Program	Treatment Alternatives to Incarceration Program	Mental Health Caseload	2015 Combined Total
Cash	\$ 666,217	\$ 4,130	\$ 24,498	\$ 2,217	\$ 697,062
Accounts Receivable					
Due From -					
Jack County - Fees	8,329	-	-	-	8,329
Wise County - Fees	58,737	-	-	-	58,737
Wise County - Interest	61	-	-	-	61
Total Accounts Receivable	67,127	-	-	-	67,127
Total Assets	<u>\$ 733,344</u>	<u>\$ 4,130</u>	<u>\$ 24,498</u>	<u>\$ 2,217</u>	<u>\$ 764,189</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts Payable	\$ 2,958	\$ 12	\$ 13,300	\$ 6	\$ 16,276
Accrued Salaries and Benefits	35,654	4,118	2,366	2,211	44,349
Due to TDCJ-CJAD	-	-	8,832	-	8,832
Total Liabilities	38,612	4,130	24,498	2,217	69,457
Fund Balance	694,732	-	-	-	694,732
Total Liabilities and Fund Balance	<u>\$ 733,344</u>	<u>\$ 4,130</u>	<u>\$ 24,498</u>	<u>\$ 2,217</u>	<u>\$ 764,189</u>

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, 2015

	Basic Supervision Program	Community Corrections Program	Treatment Alternatives to Incarceration Program	Mental Health Caseload	2015 Combined Total
Revenues:					
State Aid	\$ 289,057	\$ 119,252	\$ 193,500	\$ 36,115	\$ 637,924
State Aid: SAFPF	5,261	-	-	-	5,261
Community Supervision Fees	800,678	-	-	-	800,678
Payment by Program Participants	13,021	-	-	-	13,021
Interest Income	1,059	-	-	-	1,059
Other Revenue	20,806	-	-	-	20,806
Total Revenues	1,129,882	119,252	193,500	36,115	1,478,749
Expenditures:					
Salaries and Fringe Benefits	933,437	109,607	62,520	58,000	1,163,564
Travel and Furnished Transportation	37,593	944	490	-	39,027
Contract Services for Offenders	-	-	128,552	-	128,552
Professional Fees	7,796	1,507	1,615	271	11,189
Supplies and Operating Expenses	14,538	5,201	-	-	19,739
Utilities	19,089	-	-	-	19,089
Equipment	19,095	3,146	-	-	22,241
Total Expenditures	1,031,548	120,405	193,177	58,271	1,403,401
Excess of Revenues over (under) Expenditures	98,334	(1,153)	323	(22,156)	75,348
Other Financing Sources (Uses):					
Transfer in	-	1,153	-	22,156	23,309
Transfer out	(23,309)	-	-	-	(23,309)
Total Other Financing Sources (Uses)	(23,309)	1,153	-	22,156	-
Fund Balance, September 1	619,707	-	8,509	-	628,216
Refund Due to TDCJ-CJAD	-	-	(8,832)	-	(8,832)
Fund Balance, August 31	\$ 694,732	\$ -	\$ -	\$ -	\$ 694,732

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, 2015

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, Treatment Alternative to Incarceration Program Grant Fund, Mental Health Caseload 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, 2015 for financial activity performed by August 31, 2015, are considered available. Also purchases for which the commitment has been established by August 31, 2015, 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, 2015. Exception to this method of accounting is the recording of refunds to the State as reductions of Fund Balance.

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Notes to Financial Statements
August 31, 2015

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 in an open meeting. All budgets and budget adjustment requests are submitted to TDCJ-CJAD for approval. Only budget adjustment requests, at year-end, received by September 30, 2015 will be reviewed and approved/disapproved by TDCJ-CJAD. TDCJ-CJAD will not accept budget adjustments after September 30, 2015 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 liquidated by October 31, 2015 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, 2015 was \$63,388.

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.

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Notes to Financial Statements
August 31, 2015

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	\$ 444	Article 102.007 of the Code of Criminal Procedure	Yes
Crime Stoppers	\$ 26,242	Local Government Code, Chapter 103, Section 103.021 (6)	Yes
Merchant Fee	\$ 1,131	Fee received from probationers to allow credit card payments for probation fees and court costs over the internet.	Yes
Supervision Fee for Sex Offenders	\$ 2,531	Article 42.12, Section 19 (f) of the Code of Criminal Procedure	Yes
Refund	\$ 3,481	Overpayments received from probationers in the mail. Refunds are mailed back to the probationers for the amount that was overpaid.	Yes
Victim Restitution	\$ 174,919	Government Code 76.013, paid directly to victim within certain timelines.	Yes
Court Costs (includes court fines and attorney fees)	\$ 189,183	Local Government Code, Chapter 113, Section 113.022	Yes
Extradition Fee	\$ 1,619	Fee received from probationers as part of Probation Judgments from Court. Fees are sent to the Treasurer's Office.	Yes
Bond Supervision Fees	\$ 24,097	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, 2015 are all \$0.

Note 5 – Cash, Petty Cash and Investments

The CSCD's deposits were held by the First Financial Bank at August 31, 2015. 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).

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Notes to Financial Statements
August 31, 2015

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	Mental Health Caseload
Salaries & Fringe Benefits	\$ -	\$ 1,153	\$ -	\$ -
Travel & Furnished Transportation	569			
Professional Fees	973	-	-	-
Supplies & Operating Expenses	-	1,671	-	-
Equipment	1,145	-	-	-
Total Negative Variances	<u>\$ 2,687</u>	<u>\$ 2,824</u>	<u>\$ -</u>	<u>\$ -</u>

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

Basic Supervision Program

Over-expended budget items did not exceed the \$15,000 or 15% rule for this program.

Community Corrections Program

The over-expenditure of Salaries & Fringe Benefits is not more than the \$15,000 or 15% rule. However, the over-expenditure of Supplies & Operating Expenses is in excess of the 15% rule. This variance was due to an incorrect budget adjustment in which Supplies & Operating Expenses were reduced instead of Travel & Furnished Transportation.

Treatment Alternatives to Incarceration Program

No expenses were over budget for this program.

Mental Health Caseload

No expenses were over budget for this program.

Note 7 – Accounts and Interfund Transfer Receivable and Payable at August 31, 2015

The CSCD reported accounts and interfund transfer receivable at August 31, 2015 of \$58,798, of which \$58,737 was receivable from Wise County for local fees and \$61 was receivable from Wise County for interest. The CSCD reported accounts payable at August 31, 2015 of \$16,276, of which none was payable to Wise County.

Note 8 – 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, 2015.

**Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Notes to Financial Statements
August 31, 2015**

Note 9 – Commitments and Contingencies

The CSCD did not have any commitments and/or contingencies at August 31, 2015.

Note 10 – Prior Period Adjustments and Refunds

The CSCD did not have any prior period adjustments for the fiscal year ended August 31, 2015. The CSCD reported a refund due to TDCJ-CJAD of \$8,832 in State funds for the Treatment Alternatives to Incarceration Program at August 31, 2015.

Note 11 – Subsequent Events

The CSCD did not have any subsequent events at August 31, 2015.

Note 12 – Defined Benefit Pension Plans

Plan Description

The CSCD through Wise County participates as one of 677 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.

Benefits Provided

TCDRS provides retirement, disability, and death 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

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
Notes to Financial Statements
August 31, 2015

Note 12 – Defined Benefit Pension Plans (continued)

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 10.69% and 10.57% in calendar years 2014 and 2015, respectively. The CSCD's and employee's contributions to TCDRS for the year ended August 31, 2015 were \$104,108 and \$71,038, respectively, and were equal to the required contributions.

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

Note 13 – 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, 2015, 2014, and 2013 was \$2,846, \$2,900, and \$2,866, 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)
Statement of Revenues, Expenditures, and Changes in Fund
Balance - Budget, Actual, and Variance - Basic Supervision Program
For Fiscal Year Ended August 31, 2015

	2015		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
State Aid	\$ 289,057	\$ 289,057	\$ -
State Aid: SAFFP	2,000	5,261	3,261
Community Supervision Fees	864,000	800,678	(63,322)
Payment by Program Participants	13,364	13,021	(343)
Interest Income	1,100	1,059	(41)
Other Revenue	23,084	20,806	(2,278)
Total Revenues	1,192,605	1,129,882	(62,723)
Expenditures:			
Salaries and Fringe Benefits	972,648	933,437	39,211
Travel and Furnished Transportation	37,024	37,593	(569)
Contract Services for Offenders	3,000	-	3,000
Professional Fees	6,823	7,796	(973)
Supplies and Operating Expenses	726,330	14,538	711,792
Utilities	25,884	19,089	6,795
Equipment	17,950	19,095	(1,145)
Total Expenditures	1,789,659	1,031,548	758,111
Excess of Revenues over (under) Expenditures	(597,054)	98,334	695,388
Other Financing Sources (Uses):			
Interfund Transfer Out	(22,654)	(23,309)	(655)
Fund Balance, September 1	619,707	619,707	-
Fund Balance, August 31	\$ (1)	\$ 694,732	\$ 694,733

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, 2015

	2015		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
State Aid	\$ 119,252	\$ 119,252	\$ -
Total Revenues	119,252	119,252	-
Expenditures:			
Salaries and Fringe Benefits	108,454	109,607	(1,153)
Travel and Furnished Transportation	2,460	944	1,516
Professional Fees	1,662	1,507	155
Supplies and Operating Expenses	3,530	5,201	(1,671)
Equipment	3,146	3,146	-
Total Expenditures	119,252	120,405	(1,153)
Excess of Revenues (under) Expenditures	-	(1,153)	1,153
Other Financing Sources (Uses):			
Interfund Transfer In	-	1,153	(1,153)
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 -
Treatment Alternatives to Incarceration Program
For Fiscal Year Ended August 31, 2015

	2015		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
State Aid	\$ 193,500	\$ 193,500	\$ -
Total Revenues	193,500	193,500	-
Expenditures:			
Salaries and Fringe Benefits	62,562	62,520	42
Travel and Furnished Transportation	750	490	260
Contract Services for Offenders	136,681	128,552	8,129
Professional Fees	2,015	1,615	400
Total Expenditures	202,008	193,177	8,831
Excess of Revenues over (under) Expenditures	(8,508)	323	8,831
Fund Balance, September 1	8,509	8,509	-
Refund Due to CJAD	-	(8,832)	(8,832)
Fund Balance, August 31	\$ 1	\$ -	\$ (1)

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 -
Mental Health Caseload
For Fiscal Year Ended August 31, 2015

	2015		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
State Aid	\$ 36,115	\$ 36,115	\$ -
Total Revenues	36,115	36,115	-
Expenditures:			
Salaries and Fringe Benefits	58,498	58,000	498
Professional Fees	271	271	-
Total Expenditures	58,769	58,271	498
Excess of Revenues (under) Expenditures	(22,654)	(22,156)	498
Other Financing Sources (Uses):			
Interfund Transfer In	22,654	22,156	(498)
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)
Schedule of Differences Between Audit Report and
CSCD Report as Submitted to TDCJ-CJAD - Basic Supervision Program
For Fiscal Year Ended August 31, 2015

	Audit	CSCD Report	Difference
Revenues:			
State Aid	\$ 289,057	\$ 289,057	\$ -
State Aid : SAFPF	5,261	5,261	-
Community Supervision Fees	800,678	800,678	-
Payment by Program Participants	13,021	13,021	-
Interest Income	1,059	1,059	-
Other Revenue	20,806	20,806	-
Total Revenues	1,129,882	1,129,882	-
Expenditures:			
Salaries and Fringe Benefits	933,437	933,437	-
Travel and Furnished Transportation	37,593	37,593	-
Professional Fees	7,796	7,796	-
Supplies and Operating Expenses	14,538	14,538	-
Utilities	19,089	19,089	-
Equipment	19,095	19,095	-
Total Expenditures	1,031,548	1,031,548	-
Excess of Revenues over Expenditures	98,334	98,334	-
Other Financing Sources (Uses):			
Interfund Transfer Out	(23,309)	(23,309)	-
Fund Balance, September 1	619,707	619,707	-
Fund Balance, August 31	\$ 694,732	\$ 694,732	\$ -

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, 2015

	<u>Audit</u>	<u>CSCD Report</u>	<u>Difference</u>
Revenues:			
State Aid	\$ 119,252	\$ 119,252	\$ -
Total Revenues	<u>119,252</u>	<u>119,252</u>	<u>-</u>
Expenditures:			
Salaries and Fringe Benefits	109,607	109,607	-
Travel and Furnished Transportation	944	944	-
Professional Fees	1,507	1,507	-
Supplies and Operating Expenses	5,201	5,201	-
Equipment	3,146	3,146	-
Total Expenditures	<u>120,405</u>	<u>120,405</u>	<u>-</u>
Excess of Revenues (under) Expenditures	(1,153)	(1,153)	-
Other Financing Sources (Uses)			
Interfund Transfer In	1,153	1,153	-
Fund Balance, September 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, August 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2015

	<u>Audit</u>	<u>CSCD Report</u>	<u>Difference</u>
Revenues:			
State Aid	\$ 193,500	\$ 193,500	\$ -
Total Revenues	<u>193,500</u>	<u>193,500</u>	<u>-</u>
Expenditures:			
Salaries and Fringe Benefits	62,520	62,520	-
Travel and Furnished Transportation	490	490	-
Contract Services for Offenders	128,552	128,551	1 A
Professional Fees	1,615	1,615	-
Total Expenditures	<u>193,177</u>	<u>193,176</u>	<u>1</u>
Excess of Revenues over Expenditures	323	324	(1)
Fund Balance, September 1	8,509	8,508	1 A
Refund Due to CJAD	<u>(8,832)</u>	<u>(8,832)</u>	<u>-</u>
Fund Balance, August 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note A: Difference due to rounding of cents to dollars on prior year and current year audit reports.

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 - Mental Health Caseload
For Fiscal Year Ended August 31, 2015

	<u>Audit</u>	<u>CSCD Report</u>	<u>Difference</u>
Revenues:			
State Aid	\$ 36,115	\$ 36,115	\$ -
Total Revenues	<u>36,115</u>	<u>36,115</u>	<u>-</u>
Expenditures:			
Salaries and Fringe Benefits	58,000	58,000	-
Professional Fees	271	271	-
Total Expenditures	<u>58,271</u>	<u>58,271</u>	<u>-</u>
Excess of Revenues (under) Expenditures	(22,156)	(22,156)	-
Other Financing Sources (Uses):			
Interfund Transfer In	22,156	22,156	-
Fund Balance, September 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, August 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**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, 2015, 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 4, 2016.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2015-001 that we consider to be a significant deficiency.

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 4, 2016

**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, 2015**

2015-001 Significant Deficiency

Criteria

The Financial Management Manual for TDCJ-CJAD Funding requires actual expenditures in excess of \$15,000 or 15% of the last TDCJ-CJAD approved line item budget amounts to be refunded to TDCJ-CJAD as these expenditures are deemed to be "unauthorized expenditures."

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.

Cause

Wise County CSCD has not established procedures that will identify when expenditures exceed 15% of the line item budget threshold. Also, the CSCD incorrectly adjusted the budget to reduce the Supplies and Operating Expense by \$1,796 and increase Equipment by the same amount. The original intent was to decrease the budget for Travel/Furnished Transportation. Total CCP expenditures were \$1,153 more than the final program budget, but were not greater than 15% or \$15,000.

Effect or Potential Effect

Expenditures above the allowed budget variance limits are deemed unauthorized expenditures and are subject to refund from the Basic Supervision fund in the fiscal year that the audit report is reviewed by TDCJ-CJAD. The Department will be responsible for refunding in Fiscal Year 2016 the amount determined by TDCJ-CJAD as unauthorized expenditures.

**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, 2015**

The Wise County CSCD personnel and the fiscal officer will review budget procedures and requirements in the Financial Management Manual for TDCJ-CJAD Funding. They will also monitor budgets and calculate, prepare, and review appropriate budget adjustments in future fiscal years.

**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, 2015**

There were no prior 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)
ASSURANCES OF COMPLIANCE REQUIREMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

Fiscal Year 2015 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	
<u>X</u>	___		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.
<u>X</u>	___		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.
<u>X</u>	___		Are TDCJ-CJAD funds and locally generated revenues expended in accordance with the <i>Financial Management Manual for TDCJ-CJAD Funding (FMM)</i> , 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.
<u>X</u>	___		Are proper cutoff procedures observed at the end of each fiscal period? The cutoff date for revenues recognition and expenditures payments of FY 2015 is October 31, 2015.
<u>X</u>	___		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.
___	<u>X</u>		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.
<u>X</u>	___		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.
<u>X</u>	___		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.
<u>X</u>	___		Does the CSCD have an existing policy on budget approval, operate by the policy, and the policy has been approved in an open meeting by the judges charged with oversight of the CSCD (Government Code, Section 76.002, and the <i>Financial Management Manual for TDCJ-CJAD Funding (FMM Pages 8-10)</i>). 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, 2015

- | | | |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <p>Are all of the CSCD's funds and collections deposited in the county treasury (county's bank account)? (<i>FMM</i> 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.</p> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <p>Are all of the CSCD's funds and collections disbursed by the county treasurer on behalf of the CSCD? (<i>FMM</i> 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.</p> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <p>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? (<i>FMM</i> Pages 7-8) If not, explain in the Notes to the Financial Statements and include in the Schedule of Findings and Questioned Costs.</p> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <p>Did the Fiscal Officer follow the applicable laws, guidelines, and duties as specified on Pages 31-35 of the <i>Financial Management Manual for TDCJ-CJAD Funding</i>? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.</p> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <p>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, <i>FMM</i> Pages 35-36) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.</p> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <p>Were there any instances of fraud, non-compliance, waste, or abuse noted by the auditor (Chapter 4, Item 4.25 <i>Government Auditing Standards</i>)? If yes, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.</p> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <p>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.</p> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <p>Is <u>equipment</u> 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.</p> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <p>Is surplus <u>equipment</u> disposed of in accordance with TDCJ-CJAD guidelines? (<i>FMM</i> Page 24) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.</p> |
| <input type="checkbox"/> | <input type="checkbox"/> | <p>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.</p> |

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, 2015

- | | | | |
|----------|---|----------|--|
| — | — | <u>X</u> | 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? (<i>FMM</i> Page 26) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| <u>X</u> | — | — | 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, 2015 , and in accordance with the <i>Financial Management Manual for TDCJ-CJAD Funding</i> ? (<i>FMM</i> Pages 8-10) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| <u>X</u> | — | — | 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. |
| <u>X</u> | — | — | 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? (<i>FMM</i> Page 28) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| <u>X</u> | — | — | 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? (<i>CMM</i> and Pages 10-11 of these Guidelines) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| <u>X</u> | — | — | Does the CSCD have a policy regarding eligibility for employee salary merit increases, if merit or one-time increases are given? (<i>FMM</i> Page 46) 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. |
| <u>X</u> | — | — | If the CSCD allows offenders to pay a fee or donate goods to a local food bank in lieu of performing community service restitution (CSR) work hours, does the CSCD have a written CSR Policy stating this fact? (TDCJ-CJAD Policy Statement No. CJAD-PS-08) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| — | — | <u>X</u> | Are petty cash funds (not change funds) authorized by the county auditor or fiscal officer? (<i>FMM</i> , Pages 7-8, 20 and 34) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
| — | — | <u>X</u> | Are petty cash funds used only for specific purposes for allowable items as listed in the <i>Financial Management Manual for TDCJ-CJAD Funding</i> and expended only for emergency situations authorized by a written policy and approved by the CSCD director? (<i>FMM</i> , Pages 7-8, 20 and 34) 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, 2015

Are Personal Bond, Pre-Trial Bond, Surety Bond, Bail and Certain Other Supervision expenses relating to CSCD employees supervising these cases paid from the administrative fees (and not from state-funded budgets) set in Article 76.015(c) of the Texas Government Code, as amended; i.e., salaries, fringe benefits, travel, supplies, equipment, etc., paid from these fees? 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, 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 20-21 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.

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 21-22) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

___ ___ 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* Page 27) 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.

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* Pages 28-29) 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.

___ ___ X

Were pretrial diversion/intervention fees properly collected and accounted for as payments by program participants? (*FMM* Pages 28-29, 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.

X ___ ___

Is there proper identification on motor vehicles that are issued exempt license plates? (*FMM* Pages 29-30, Transportation Code, Chapter 721) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

X ___ ___

Wise County, Texas
271st Judicial District
Community Supervision and Corrections Department
(An Agency Fund of Wise County, Texas)
ASSURANCES OF COMPLIANCE REQUIREMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

 X ___ ___
Is the transactions' administrative fee, if collected, accounted for on a consistent basis? (*FMM* Page 30) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

 X ___ ___
If there were negative fund balances in programs, were they covered by interfund transfers as described in the *Financial Management Manual for TDCJ-CJAD Funding?* (*FMM* Pages 33-34) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

 X ___ ___
Do action plans exist for all significant findings from previous 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.

