

**BOWIE COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED
AUGUST 31, 2013**

PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**BOWIE COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

YEAR ENDED AUGUST 31, 2013

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**BOWIE COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

YEAR ENDED AUGUST 31, 2013

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PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Bowie County Community
Supervision and Corrections Department
New Boston, Texas

Report on the Financial Statements

We have audited the accompanying combined financial statements of the Bowie County Community Supervision and Corrections Department, and the combining and individual funds of Bowie County Community Supervision and Corrections Department as of and for the year ended August 31, 2013, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditors' 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bowie County Community Supervision and Corrections Department, as of August 31, 2013, and the results of its operations for the year then ended, in conformity with the financial reporting provisions of the Texas Department of Criminal Justice – Community Justice Assistance Division (TDCJ-CJAD) as described in the notes to the financial statements. Also, in our opinion, the combining and individual funds referred to above present fairly, in all material respects, the financial position of each of the individual funds of Bowie County Community Supervision and Corrections Department, as of August 31, 2013, and the results of operations of such funds for the year then ended in conformity with the financial reporting provisions of the Texas Department of Criminal Justice – Community Justice Assistance Division (TDCJ-CJAD) as described in the notes to the financial statements.

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 provision of the Texas Department of Criminal Justice – Community Justice Assistance Division (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 Texas Department of Criminal Justice – Community Justice Assistance Division (TDCJ-CJAD). Our opinion is not modified with respect to that matter.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Bowie County Community Supervision and Corrections Department, and are not intended to present fairly the financial position of Bowie County, Texas and the results of its operations in conformity with generally accepted accounting principles.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 17, 2014 on our consideration of Bowie County Community Supervision and Corrections Department's internal control structure over financial reporting and a report dated March 17, 2014 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 Bowie County Community Supervision and Corrections Department's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of the management, others within the organization, Bowie County Community Supervision and Corrections Department, 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.

Pattillo, Brown & Hill, LLP

Waco, Texas
March 17, 2014

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

COMBINED STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2013

ASSETS

| | <u>Basic Supervision</u> | <u>Community Corrections</u> | <u>Diversion Programs</u> |
|----------------------------|------------------------------|----------------------------------|-------------------------------|
| Cash and investments | | | |
| Bank balances | \$ 539,173 | \$ - | \$ 116,952 |
| Petty cash | <u>375</u> | <u>-</u> | <u>-</u> |
| Total Cash and Investments | <u>539,548</u> | <u>-</u> | <u>116,952</u> |
| Total Assets | <u>\$ 539,548</u> | <u>\$ -</u> | <u>\$ 116,952</u> |

LIABILITIES AND FUND BALANCE

| | | | |
|--|-----------------------|-----------------|-----------------------|
| Liabilities | | | |
| Accounts payable | \$ 24,503 | \$ - | \$ 48,388 |
| Due to TDCJ-CJAD | <u>-</u> | <u>-</u> | <u>68,564</u> |
| Due to Crime Stoppers | <u>378</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>24,881</u> | <u>-</u> | <u>116,952</u> |
| Fund Balance | <u>514,667</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Fund Balance | <u>\$ 539,548</u> | <u>\$ -</u> | <u>\$ 116,952</u> |

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

| <u>TAIP</u> | <u>Total</u> |
|-------------|--------------|
| \$ 12,322 | \$ 668,447 |
| - | 375 |
| 12,322 | 668,822 |
| \$ 12,322 | \$ 668,822 |

| | |
|-----------|------------|
| \$ 2,183 | \$ 75,074 |
| 10,139 | 78,703 |
| - | 378 |
| 12,322 | 154,155 |
| - | 514,667 |
| \$ 12,322 | \$ 668,822 |

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE**

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Basic Supervision</u> | <u>Community Corrections</u> | <u>Diversion Programs</u> |
|--|------------------------------|----------------------------------|-------------------------------|
| REVENUE | | | |
| State aid | \$ 600,424 | \$ 164,449 | \$ 2,357,767 |
| State aid: SAFPf payments | 49,695 | - | - |
| Community supervision fees | 874,401 | - | - |
| Payments by program participants | 207,832 | - | 103,379 |
| Interest income | 1,138 | - | - |
| Other revenue | <u>122,941</u> | <u>-</u> | <u>76,124</u> |
| Total Revenue | <u>1,856,431</u> | <u>164,449</u> | <u>2,537,270</u> |
| EXPENDITURES | | | |
| Salaries and fringe benefits | 1,311,418 | 199,043 | 1,749,237 |
| Travel and furnished transportation | 96,715 | - | 32,023 |
| Contract services | 71,571 | - | 5,465 |
| Professional fees | 24,437 | 1,233 | 20,866 |
| Supplies and operating expenses | 172,328 | 1,364 | 400,928 |
| Facilities | - | 93,544 | 224,347 |
| Utilities | 16,815 | - | 110,295 |
| Equipment | <u>45,307</u> | <u>-</u> | <u>32,567</u> |
| Total Expenditures | <u>1,738,591</u> | <u>295,184</u> | <u>2,575,728</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | 117,840 | (130,735) | (38,458) |
| FUND BALANCE, SEPTEMBER 1, 2012 | 525,898 | 73,783 | 34,903 |
| PRIOR PERIOD ADJUSTMENT | - | - | - |
| INTERFUND TRANSFER IN (OUT) | <u>(129,071)</u> | <u>56,952</u> | <u>72,119</u> |
| FUND BALANCE BEFORE REFUND TO TDCJ-CJAD | 514,667 | - | 68,564 |
| REFUND DUE TO TDCJ-CJAD | <u>-</u> | <u>-</u> | <u>(68,564)</u> |
| FUND BALANCE, AUGUST 31, 2013 | <u>\$ 514,667</u> | <u>\$ -</u> | <u>\$ -</u> |

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

| <u>TAIP</u> | <u>Total</u> |
|---------------|-------------------|
| \$ 12,150 | \$ 3,134,790 |
| - | 49,695 |
| - | 874,401 |
| - | 311,211 |
| - | 1,138 |
| - | <u>199,065</u> |
| <u>12,150</u> | <u>4,570,300</u> |
| - | 3,259,698 |
| - | 128,738 |
| 11,141 | 88,177 |
| 303 | 46,839 |
| - | 574,620 |
| - | 317,891 |
| - | 127,110 |
| - | <u>77,874</u> |
| <u>11,444</u> | <u>4,620,947</u> |
| 706 | (50,647) |
| 29,433 | 664,017 |
| (20,000) | (20,000) |
| - | - |
| 10,139 | 593,370 |
| (10,139) | (78,703) |
| <u>\$ -</u> | <u>\$ 514,667</u> |

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

ALL DIVERSION PROGRAM FUNDS

**COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE**

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Substance Abuse Treatment- Outpatient</u> | <u>Mental Health Specialized Caseload</u> | <u>Substance Abuse Treatment Facility</u> |
|--|--|---|---|
| REVENUE | | | |
| State aid | \$ 46,933 | \$ 43,141 | \$ 2,139,937 |
| Payments by program participants | - | - | 103,379 |
| Other revenue | - | - | 76,124 |
| Total Revenue | <u>46,933</u> | <u>43,141</u> | <u>2,319,440</u> |
| EXPENDITURES | | | |
| Salaries and fringe benefits | 51,855 | 38,920 | 1,542,443 |
| Travel and furnished transportation | - | - | 32,023 |
| Contract services | - | - | 5,465 |
| Professional fees | 352 | 324 | 19,098 |
| Supplies and operating expenses | - | - | 398,270 |
| Facilities | - | - | 224,347 |
| Utilities | - | - | 110,295 |
| Equipment | - | 4,553 | 24,327 |
| Total Expenditures | <u>52,207</u> | <u>43,797</u> | <u>2,356,268</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (5,274) | (656) | (36,828) |
| FUND BALANCE, SEPTEMBER 1, 2012 | 2,459 | 3,010 | 22,745 |
| INTERFUND TRANSFER IN (OUT) | <u>2,815</u> | <u>-</u> | <u>69,304</u> |
| FUND BALANCE BEFORE REFUND TO CJAD | - | 2,354 | 55,221 |
| REFUND DUE TO TDCJ-CJAD | <u>-</u> | <u>(2,354)</u> | <u>(55,221)</u> |
| FUND BALANCE, AUGUST 31, 2013 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

| CCF Aftercare Specialized Caseload | Total |
|---|--------------|
| \$ 127,756 | \$ 2,357,767 |
| - | 103,379 |
| - | 76,124 |
| 127,756 | 2,537,270 |
| 116,019 | 1,749,237 |
| - | 32,023 |
| - | 5,465 |
| 1,092 | 20,866 |
| 2,658 | 400,928 |
| - | 224,347 |
| - | 110,295 |
| 3,687 | 32,567 |
| 123,456 | 2,575,728 |
| 4,300 | (38,458) |
| 6,689 | 34,903 |
| - | 72,119 |
| 10,989 | 68,564 |
| (10,989) | (68,564) |
| \$ - | \$ - |

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND VARIANCE**

BASIC SUPERVISION

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|--|-------------------|-------------------|--|
| REVENUE | | | |
| State aid | \$ 600,424 | \$ 600,424 | \$ - |
| State aid: SAFPF payments | 40,000 | 49,695 | 9,695 |
| Community supervision fees | 1,050,000 | 874,401 | (175,599) |
| Payments by program participants | 150,000 | 207,832 | 57,832 |
| Interest income | 10,000 | 1,138 | (8,862) |
| Other revenue | <u>77,000</u> | <u>122,941</u> | <u>45,941</u> |
| Total Revenue | <u>1,927,424</u> | <u>1,856,431</u> | <u>(70,993)</u> |
| EXPENDITURES | | | |
| Salaries and fringe benefits | 1,400,076 | 1,311,418 | 88,658 |
| Travel and furnished transportation | 108,400 | 96,715 | 11,685 |
| Contract services | 73,000 | 71,571 | 1,429 |
| Professional fees | 32,319 | 24,437 | 7,882 |
| Supplies and operating expenses | 637,376 | 172,328 | 465,048 |
| Utilities | 20,800 | 16,815 | 3,985 |
| Equipment | <u>52,280</u> | <u>45,307</u> | <u>6,973</u> |
| Total Expenditures | <u>2,324,251</u> | <u>1,738,591</u> | <u>585,660</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (396,827) | 117,840 | 514,667 |
| FUND BALANCE, SEPTEMBER 1, 2012 | 525,898 | 525,898 | - |
| INTERFUND TRANSFER IN (OUT) | <u>(129,071)</u> | <u>(129,071)</u> | - |
| FUND BALANCE, AUGUST 31, 2013 | <u>\$ -</u> | <u>\$ 514,667</u> | <u>\$ 514,667</u> |

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

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND VARIANCE**

**COMMUNITY CORRECTIONS PROGRAM
DAY RESOURCE CENTER**

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|----------------------|----------------------|---|
| REVENUE | | | |
| State aid | \$ 164,449 | \$ 164,449 | \$ - |
| Total Revenue | <u>164,449</u> | <u>164,449</u> | <u>-</u> |
| EXPENDITURES | | | |
| Salaries and fringe benefits | 199,043 | 199,043 | - |
| Contract services | - | - | - |
| Professional fees | 1,233 | 1,233 | - |
| Supplies and operating expenses | 1,364 | 1,364 | - |
| Facilities | <u>93,544</u> | <u>93,544</u> | <u>-</u> |
| Total Expenditures | <u>295,184</u> | <u>295,184</u> | <u>-</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (130,735) | (130,735) | - |
| FUND BALANCE, SEPTEMBER 1, 2012 | 73,783 | 73,783 | - |
| INTERFUND TRANSFER IN (OUT) | <u>56,952</u> | <u>56,952</u> | <u>-</u> |
| FUND BALANCE, AUGUST 31, 2013 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND VARIANCE**

**DIVERSION PROGRAM
SUBSTANCE ABUSE TREATMENT-OUTPATIENT PROGRAM**

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|--|---------------|---------------|--|
| REVENUE | | | |
| State aid | \$ 46,933 | \$ 46,933 | \$ - |
| Total Revenue | <u>46,933</u> | <u>46,933</u> | <u>-</u> |
| EXPENDITURES | | | |
| Salaries and fringe benefits | 51,855 | 51,855 | - |
| Professional fees | 352 | 352 | - |
| Total Expenditures | <u>52,207</u> | <u>52,207</u> | <u>-</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (5,274) | (5,274) | - |
| FUND BALANCE, SEPTEMBER 1, 2012 | 2,459 | 2,459 | - |
| INTERFUND TRANSFER IN (OUT) | <u>2,815</u> | <u>2,815</u> | <u>-</u> |
| FUND BALANCE, AUGUST 31, 2013 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND VARIANCE**

**DIVERSION PROGRAM
MENTAL HEALTH SPECIALIZED CASELOAD**

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|--|---------------|-----------------|--|
| REVENUE | | | |
| State aid | \$ 43,141 | \$ 43,141 | \$ - |
| Total Revenue | <u>43,141</u> | <u>43,141</u> | <u>-</u> |
| EXPENDITURES | | | |
| Salaries and fringe benefits | 40,652 | 38,920 | 1,732 |
| Professional fees | 324 | 324 | - |
| Supplies and operating expenses | 525 | - | 525 |
| Equipment | <u>4,650</u> | <u>4,553</u> | <u>97</u> |
| Total Expenditures | <u>46,151</u> | <u>43,797</u> | <u>2,354</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (3,010) | (656) | 2,354 |
| FUND BALANCE, SEPTEMBER 1, 2012 | - | 3,010 | 3,010 |
| INTERFUND TRANSFER IN (OUT) | <u>3,010</u> | <u>-</u> | <u>(3,010)</u> |
| FUND BALANCE BEFORE REFUND TO TDCJ-CJAD | - | 2,354 | 2,354 |
| REFUND DUE TO TDCJ-CJAD | <u>-</u> | <u>(2,354)</u> | <u>(2,354)</u> |
| FUND BALANCE, AUGUST 31, 2013 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND VARIANCE**

**DIVERSION PROGRAM
SUBSTANCE ABUSE TREATMENT FACILITY**

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|--|------------------|------------------|--|
| REVENUE | | | |
| State aid | \$ 2,139,937 | \$ 2,139,937 | \$ - |
| Payments by program participants | 136,644 | 103,379 | (33,265) |
| Other revenue | <u>73,176</u> | <u>76,124</u> | <u>2,948</u> |
| Total Revenue | <u>2,349,757</u> | <u>2,319,440</u> | <u>(30,317)</u> |
| EXPENDITURES | | | |
| Salaries and fringe benefits | 1,608,263 | 1,542,443 | 65,820 |
| Travel and furnished transportation | 32,300 | 32,023 | 277 |
| Contract services | 11,500 | 5,465 | 6,035 |
| Professional fees | 21,092 | 19,098 | 1,994 |
| Supplies and operating expenses | 401,061 | 398,270 | 2,791 |
| Facilities | 232,780 | 224,347 | 8,433 |
| Utilities | 110,310 | 110,295 | 15 |
| Equipment | <u>24,500</u> | <u>24,327</u> | <u>173</u> |
| Total Expenditures | <u>2,441,806</u> | <u>2,356,268</u> | <u>85,538</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (92,049) | (36,828) | 55,221 |
| FUND BALANCE, SEPTEMBER 1, 2012 | 22,745 | 22,745 | - |
| INTERFUND TRANSFER IN (OUT) | <u>69,304</u> | <u>69,304</u> | <u>-</u> |
| FUND BALANCE BEFORE REFUND TO TDCJ-CJAD | - | 55,221 | 55,221 |
| REFUND DUE TO TDCJ-CJAD | <u>-</u> | <u>(55,221)</u> | <u>(55,221)</u> |
| FUND BALANCE, AUGUST 31, 2013 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND VARIANCE**

**DIVERSION PROGRAM
CCF AFTERCARE SPECIALIZED CASELOAD**

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|--|----------------|------------------|--|
| REVENUE | | | |
| State aid | \$ 127,756 | \$ 127,756 | \$ - |
| Total Revenue | <u>127,756</u> | <u>127,756</u> | <u>-</u> |
| EXPENDITURES | | | |
| Salaries & Fringe Benefits | 117,652 | 116,019 | 1,633 |
| Professional fees | 1,092 | 1,092 | - |
| Supplies & Operating | 10,601 | 2,658 | 7,943 |
| Equipment | <u>5,100</u> | <u>3,687</u> | <u>1,413</u> |
| Total Expenditures | <u>134,445</u> | <u>123,456</u> | <u>10,989</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (6,689) | 4,300 | 10,989 |
| FUND BALANCE, SEPTEMBER 1, 2012 | <u>6,689</u> | <u>6,689</u> | (0) |
| FUND BALANCE BEFORE REFUND TO TDCJ-CJAD | - | 10,989 | 10,989 |
| REFUND DUE TO TDCJ-CJAD | <u>-</u> | <u>(10,989)</u> | <u>(10,989)</u> |
| FUND BALANCE, AUGUST 31, 2013 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND VARIANCE**

**TREATMENT ALTERNATIVES TO INCARCERATION PROGRAMS FUNDING
SUBSTANCE ABUSE TREATMENT**

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|--|------------------|------------------|--|
| REVENUE | | | |
| State aid | | | |
| Total Revenue | \$ <u>12,150</u> | \$ <u>12,150</u> | \$ <u>-</u> |
| | <u>12,150</u> | <u>12,150</u> | <u>-</u> |
| EXPENDITURES | | | |
| Contract services | | | |
| Professional fees | 21,492 | 11,141 | 10,351 |
| Total Expenditures | <u>91</u> | <u>303</u> | <u>(212)</u> |
| | <u>21,583</u> | <u>11,444</u> | <u>10,139</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (9,433) | 706 | 10,139 |
| FUND BALANCE, SEPTEMBER 1, 2012 | 9,433 | 29,433 | 20,000 |
| PRIOR PERIOD ADJUSTMENT | <u>-</u> | <u>(20,000)</u> | <u>(20,000)</u> |
| FUND BALANCE BEFORE REFUND TO TDCJ-CJAD | - | 10,139 | 10,139 |
| REFUND DUE TO TDCJ-CJAD | <u>-</u> | <u>(10,139)</u> | <u>(10,139)</u> |
| FUND BALANCE, AUGUST 31, 2013 | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |

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

**BOWIE COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statements include the revenue of the Bowie 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 from State Appropriations for the Basic Supervision Fund, Community Corrections Program funds, Diversion Program Grant Funds, Treatment Alternatives to Incarceration Program Grant Funds, local fees collected for the use of the CSCD, and the expenditures of those funds.

The Bowie County Community Supervision and Corrections Department, a special purpose district of state government, was organized to provide certain adult probation services to judicial districts.

Basis of Accounting

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 Bowie County CSCD are organized on the basis of fund accounting. Under fund accounting, each fund is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. 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. 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 for the current period. Revenues received by October 31, 2013 for financial activity performed by August 31, 2013, are considered available. Also purchases for which the commitment has been established by August 31, 2013, are considered liabilities regardless of whether possession of these goods has been received by August 31, 2013, provided that the liability purchase is received and is paid for by October 31, 2013. Exception to this method of accounting is the recording of refunds to the State as reductions of Fund Balance.

Budgets (Accounting and Legal Compliance)

The budgets governing the funding to the programs are approved by the district judges and the criminal court-at-law judges with jurisdiction over the department in an open meeting and by the Texas Department of Criminal Justice - Community Justice Assistance Division. Only budget adjustment requests, at year end, received by September 30, 2013 will be reviewed and approved/disapproved by TDCJ-CJAD. TDCJ-CJAD will not accept any budget adjustments after September 30, 2013 for the previous fiscal year. Only budget adjustments approved by TDCJ-CJAD are referred to in performing the financial audit.

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, 2013 became part of the subsequent year's budget.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. A liability for vacation and sick leave is reported in these financial statements only if they have matured. A liability for vacation and sick leave is not reported in these financial statements.

2. FUNDING SOURCES – STATE AID

Basic Supervision

This 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 community supervision and pretrial supervision based on the CSCD's share of the state total population of direct and pretrial felons. Basic Supervision is distributed only to CSCDs.

Government Code 509.011 authorizes TDCJ-CJAD to withhold Basic Supervision and Community Corrections funds from CSCDs that have over six (6) months of operating funds in their fund balance at the end of a biennium. TDCJ-CJAD may adopt policies permitting a CSCD to maintain reserves in amounts greater than otherwise permitted to cover certain costs. Excess reserves, if applicable, shall reduce the Basic Supervision funding to affected CSCDs normally in the second year of the biennium. TDCJ-CJAD may distribute these unallocated funds to other CSCDs.

Community Corrections 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 Community Corrections funds. The Texas Board of Criminal Justice rule, pursuant to Government Code, Chapter 509, Section 509.011 (f), creates a fixed 5% decrease limit between fiscal years. An upper limit is determined mathematically by available funding and the size and number of departments that reach the decrease limit. In the event that appropriations are inadequate to maintain all of the departments at the decrease limit, all allocations will be reduced proportionally relative to the previous fiscal year.

The Bowie County Community Supervision and Corrections Department has the following program that falls under the Community Corrections Program:

- Day Resource Center.

Diversion Program Grant Funds

This discretionary appropriation line item funding is awarded on a competitive basis. The priorities for distribution are determined biennially. All requests are reviewed by TDCJ-CJAD staff, approved by management and then presented to the Judicial Advisory Council. Diversion Program funds shall not be used for Basic Supervision services.

The Bowie County Community Supervision and Corrections Department has the following programs that fall under the Diversion Program:

- Substance Abuse Treatment-Outpatient
- Mental Health Specialized Caseload
- Substance Abuse Treatment Facility
- CCF Aftercase Specialized Caseload.

Substance Abuse Felony Punishment Facility (SAFPF) Funds

Aftercare caseloads are funded on a per case basis and must meet specific supervision requirements. Funding for SAFPF aftercare caseloads is allocated by TDCJ-CJAD through the Diversion Programs line item but is budgeted and reported by CSCDs as state aid under Basic Supervision.

Treatment Alternatives to Incarceration Programs (TAIP) Funding

This discretionary appropriation substance abuse funding is awarded on a competitive basis. The priorities for distribution are determined biennially. All requests are reviewed by TDCJ-CJAD staff, approved by management and then presented to the Judicial Advisory Council. TAIP funds shall not be used for Basic Supervision services. In accordance with Chapter 76 of the Government Code, TDCJ-CJAD establishes standards of operation for funding the CSCDs with the Treatment Alternative to Incarceration Program (TAIP). The Bowie County Community Supervision and Corrections Department makes an annual application for grant funds from the Community Justice Assistance Division. As a part of the application process, the Department enters into a contract with the Community Justice Assistance Division. The contract places specific restrictions on the use of grant funds and requires, among other things, an annual audit of contract revenue and expenditures. For the fiscal year ended August 31, 2013, the Department received \$12,150 under the Treatment Alternative to Incarceration Program Grant

3. FUNDS COLLECTED BY THE CSCD FROM SOURCES OTHER THAN TDCJ-CJAD WHICH ARE REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS (community supervision fees collected, program participation fees collected, county contributions, donations, interest, commissions, etc.)

The Department utilized the following funds collected from sources other than TDCJ-CJAD which are required to be reported for the year ended August 31, 2013

| Source | Amount Received | Restrictions for Use | Expended in Accordance with Restrictions |
|----------------------------------|-----------------|---|--|
| Community Supervision Fees | \$ 874,401 | <i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions | Yes |
| Payments by Program Participants | 311,211 | <i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions | Yes |
| Interest Income | 1,138 | <i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions | Yes |
| Telephone | 35,695 | <i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions | Yes |
| Vending | 56,277 | <i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions | Yes |
| Administrative Fee | 25,323 | <i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions | Yes |
| Staff Meals | 752 | <i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions | Yes |
| Commissary | 63,184 | <i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions | Yes |
| Paper Recycling | 10,115 | <i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions | Yes |
| Miscellaneous | 7,717 | <i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions | Yes |

Locally generated revenues are expended in accordance with the Financial Management Manual for TDCJ-CJAD Funding, TDCJ-CJAD Funding and Fiscal Management Updates, TDCJ-CJAD Standards, TDCJ-CJAD Field Correspondence, TDCJ-CJAD Policy Statements, Standard and Special Grant Conditions, and applicable laws.

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 (civil fees, victim restitution funds, federal grants, bond supervision funds, grants from sources other than TDCJ-CJAD, etc.)

The Department utilized the following funds collected from sources other than TDCJ-CJAD which are not required to be reported for the year ended August 31, 2013:

| Source | Amount Received | Restrictions for Use | Expended in Accordance with Restrictions | Fund Balance at August 31, 2013 |
|----------------------------------|-----------------|---|--|---------------------------------|
| Victim restitution | \$ 207,105 | Paid directly to victim within certain timelines | Yes | \$ - |
| Bond Supervision | 7,755 | CJAD-PS-09 | Yes | - |
| Crime Stoppers | 8,677 | Paid directly to County Treasurer | Yes | - |
| Crime Victims' Compensation Fund | 16,552 | Paid directly to State Comptroller within certain timelines | Yes | - |
| Family Violence Shelter Center | 1,888 | Code of Criminal Procedure, Article 42.12, Section 11(h) | Yes | - |
| Attorney fees | 56,377 | Paid directly to County Treasurer | Yes | - |
| Fines & court costs | 541,986 | Paid directly to County Treasurer | Yes | - |
| Other court fees | 2,601 | Paid directly to County Treasurer | Yes | - |

Locally generated revenues are expended in accordance with the Financial Management Manual for TDCJ-CJAD Funding, TDCJ-CJAD Funding and Fiscal Management Updates, TDCJ-CJAD Standards, TDCJ-CJAD Field Correspondence, TDCJ-CJAD Policy Statements, Standard and Special Grant Conditions, and applicable laws.

5. CASH, PETTY CASH AND INVESTMENTS

Collection or clearing accounts are trust funds and must be covered by pledged collateral to cover the estimated highest daily balance of funds operated in conjunction with or through the county depository by the CSCD. Collection accounts must be transferred to the CSCD district account within the time frames listed in Local Government Code 113.022. All CSCD funds must be in the county treasury and must be disbursed by the County Treasurer.

The Department maintains a petty cash account of \$375. As authorized by the County Auditor, the petty cash fund shall be used only for specific purposes for allowable items as listed in the Financial Management Manual and shall be expended only for emergency situations authorized by a written policy and approved by the CSCD director. Items that can reasonably be secured through the purchasing system (requisitions and purchase orders) shall not be purchased from petty cash. Petty cash funds shall not be used to purchase items for CSCD employees and may not be used to

make loans or advances to employees or to cash checks or warrants of any kind. Funds from petty cash are disbursed using a cash receipt system with funds issued only to vendors. Petty cash funds are closed out at the end of each fiscal year and are restored at the beginning of the following fiscal year.

Idle funds to be invested, if any, shall only be within the depository of the County in a manner that protects the integrity of the principal and guarantees no loss of principal to the CSCD. The Department had no idle funds to be invested at August 31, 2013.

6. EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL PROGRAMS

The Department did not have any excess expenditures over \$15,000 or 15% of the approved line item budgeted amount.

7. ACCOUNTS AND INTERFUND TRANSFER RECEIVABLE AND PAYABLE AT AUGUST 31, 2013

There were no interfund receivable or payable balances at August 31, 2013.

8. VENDOR CONTRACTS FOR OFFENDER SERVICES

The Department did not have any new vendors that provided services to offenders in excess of \$100,000.

9. COMMITMENTS AND CONTINGENCIES

The Department is contingently liable in respect to lawsuits and other claims in the ordinary course of its operations. The potential settlement (if any) of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and in the opinion of Department management would not materially affect the financial position of the Department at August 31, 2013.

10. PRIOR PERIOD ADJUSTMENTS

The prior period adjustment was a refund to TDCJ-CJAD to reduce the carryover.

11. OTHER

The Department has no other notes as deemed appropriate.

12. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 17, 2014, the issuance date of the report. No events requiring disclosure were noted.

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS SENT TO TDCJ-CJAD**

BASIC SUPERVISION

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Audit</u> | <u>Per CSCD Report</u> | <u>Difference</u> |
|--|-------------------|----------------------------|-------------------|
| REVENUE | | | |
| State aid | \$ 600,424 | \$ 600,424 | \$ - |
| State aid: SAFPF payments | 49,695 | 49,695 | - |
| Community supervision fees | 874,401 | 874,401 | - |
| Payments by program participants | 207,832 | 207,832 | - |
| Interest income | 1,138 | 1,138 | - |
| Other revenue | <u>122,941</u> | <u>122,941</u> | <u>-</u> |
| Total Revenue | <u>1,856,431</u> | <u>1,856,431</u> | <u>-</u> |
| EXPENDITURES | | | |
| Salaries and fringe benefits | 1,311,418 | 1,311,418 | - |
| Travel and furnished transportation | 96,715 | 96,715 | - |
| Contract services | 71,571 | 71,571 | - |
| Professional fees | 24,437 | 24,437 | - |
| Supplies and operating expenses | 172,328 | 172,328 | - |
| Utilities | 16,815 | 16,815 | - |
| Equipment | <u>45,307</u> | <u>45,307</u> | <u>-</u> |
| Total Expenditures | <u>1,738,591</u> | <u>1,738,591</u> | <u>-</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | 117,840 | 117,840 | - |
| FUND BALANCE, SEPTEMBER 1, 2012 | 525,898 | 525,898 | - |
| INTERFUND TRANSFER IN (OUT) | <u>(129,071)</u> | <u>(129,071)</u> | <u>-</u> |
| FUND BALANCE, AUGUST 31, 2013 | <u>\$ 514,667</u> | <u>\$ 514,667</u> | <u>\$ -</u> |

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS SENT TO TDCJ-CJAD**

**DAY RESOURCE CENTER
COMMUNITY CORRECTIONS PROGRAM**

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Audit</u> | <u>Per CSCD Report</u> | <u>Difference</u> |
|--|----------------|----------------------------|-------------------|
| REVENUE | | | |
| State aid | \$ 164,449 | \$ 164,449 | \$ - |
| Total Revenue | <u>164,449</u> | <u>164,449</u> | <u>-</u> |
| EXPENDITURES | | | |
| Salaries and fringe benefits | 199,043 | 199,043 | - |
| Professional fees | 1,233 | 1,233 | - |
| Supplies and operating expenses | 1,364 | 1,364 | - |
| Facilities | <u>93,544</u> | <u>93,544</u> | <u>-</u> |
| Total Expenditures | <u>295,184</u> | <u>295,184</u> | <u>-</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (130,735) | (130,735) | - |
| FUND BALANCE, SEPTEMBER 1, 2012 | 73,783 | 73,783 | - |
| INTERFUND TRANSFER IN (OUT) | <u>56,952</u> | <u>56,952</u> | <u>-</u> |
| FUND BALANCE, AUGUST 31, 2013 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS SENT TO TDCJ-CJAD**

**SUBSTANCE ABUSE TREATMENT-OUTPATIENT PROGRAM
DIVERSION PROGRAM**

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Audit</u> | <u>Per CSCD Report</u> | <u>Difference</u> |
|--|-----------------|----------------------------|-------------------|
| REVENUE | | | |
| State aid | \$ 46,933 | \$ 46,933 | \$ - |
| Total Revenue | <u>46,933</u> | <u>46,933</u> | <u>-</u> |
| EXPENDITURES | | | |
| Salaries and fringe benefits | 51,855 | 51,855 | - |
| Professional fees | <u>352</u> | <u>352</u> | <u>-</u> |
| Total Expenditures | <u>52,207</u> | <u>52,207</u> | <u>-</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (5,274) | (5,274) | - |
| FUND BALANCE, SEPTEMBER 1, 2012 | <u>2,459</u> | <u>2,459</u> | <u>-</u> |
| INTERFUND TRANSFER IN (OUT) | <u>2,815</u> | <u>2,815</u> | <u>-</u> |
| FUND BALANCE, AUGUST 31, 2013 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS SENT TO TDCJ-CJAD**

**MENTAL HEALTH SPECIALIZED CASELOAD
DIVERSION PROGRAM**

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Audit</u> | <u>Per CSCD Report</u> | <u>Difference</u> |
|--|-----------------|----------------------------|-------------------|
| REVENUE | | | |
| State aid | \$ 43,141 | \$ 43,141 | \$ - |
| Total Revenue | <u>43,141</u> | <u>43,141</u> | <u>-</u> |
| EXPENDITURES | | | |
| Salaries and fringe benefits | 38,920 | 38,920 | - |
| Professional fees | 324 | 324 | - |
| Total Expenditures | <u>43,797</u> | <u>43,797</u> | <u>-</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (656) | (656) | - |
| FUND BALANCE, SEPTEMBER 1, 2012 | 3,010 | 3,010 | - |
| INTERFUND TRANSFER IN (OUT) | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE BEFORE REFUND TO TDCJ-CJAD | 2,354 | 2,354 | - |
| REFUND DUE TO TDCJ-CJAD | <u>(2,354)</u> | <u>(2,354)</u> | <u>-</u> |
| FUND BALANCE, AUGUST 31, 2013 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS SENT TO TDCJ-CJAD**

**SUBSTANCE ABUSE TREATMENT FACILITY
DIVERSION PROGRAM**

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Audit</u> | <u>Per CSCD Report</u> | <u>Difference</u> |
|--|------------------|----------------------------|-------------------|
| REVENUE | | | |
| State aid | \$ 2,139,937 | \$ 2,139,937 | \$ - |
| Payments by program participants | 103,379 | 103,379 | - |
| Other revenue | <u>76,124</u> | <u>76,124</u> | - |
| Total Revenue | <u>2,319,440</u> | <u>2,319,440</u> | - |
| EXPENDITURES | | | |
| Salaries and fringe benefits | 1,542,443 | 1,542,443 | - |
| Travel and furnished transportation | 32,023 | 32,023 | - |
| Contract services | 5,465 | 5,465 | - |
| Professional fees | 19,098 | 19,098 | - |
| Supplies and operating expenses | 398,270 | 398,270 | - |
| Facilities | 224,347 | 224,347 | - |
| Utilities | 110,295 | 110,295 | - |
| Equipment | <u>24,327</u> | <u>24,327</u> | - |
| Total Expenditures | <u>2,356,268</u> | <u>2,356,268</u> | - |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (36,828) | (36,828) | - |
| FUND BALANCE, SEPTEMBER 1, 2012 | 22,745 | 22,745 | - |
| INTERFUND TRANSFER IN (OUT) | <u>69,304</u> | <u>69,304</u> | - |
| FUND BALANCE BEFORE REFUND TO TDCJ-CJAD | 55,221 | 55,221 | - |
| REFUND DUE TO TDCJ-CJAD | <u>(55,221)</u> | <u>(55,221)</u> | - |
| FUND BALANCE, AUGUST 31, 2013 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**INDIVIDUAL STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND VARIANCE**

**DIVERSION PROGRAM
CCF AFTERCARE SPECIALIZED CASELOAD**

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|--|----------------|------------------|--|
| REVENUE | | | |
| State aid | \$ 127,756 | \$ 127,756 | \$ - |
| Total Revenue | <u>127,756</u> | <u>127,756</u> | <u>-</u> |
| EXPENDITURES | | | |
| Salaries & Fringe Benefits | 117,652 | 116,019 | 1,633 |
| Professional fees | 1,092 | 1,092 | - |
| Supplies & Operating | 10,601 | 2,658 | 7,943 |
| Equipment | 5,100 | 3,687 | 1,413 |
| Total Expenditures | <u>134,445</u> | <u>123,456</u> | <u>10,989</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (6,689) | 4,300 | 10,989 |
| FUND BALANCE, SEPTEMBER 1, 2012 | <u>6,689</u> | <u>6,689</u> | <u>-</u> |
| FUND BALANCE BEFORE REFUND TO TDCJ-CJAD | - | 10,989 | 10,989 |
| REFUND DUE TO TDCJ-CJAD | <u>-</u> | <u>(10,989)</u> | <u>(10,989)</u> |
| FUND BALANCE, AUGUST 31, 2013 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

**BOWIE COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS SENT TO TDCJ-CJAD**

**SUBSTANCE ABUSE TREATMENT
TAIP**

FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>Audit</u> | <u>Per CSCD Report</u> | <u>Difference</u> |
|--|------------------|----------------------------|-------------------|
| REVENUE | | | |
| State aid | \$ 12,150 | \$ 12,150 | \$ - |
| Total Revenue | <u>12,150</u> | <u>12,150</u> | <u>-</u> |
| EXPENDITURES | | | |
| Contract services | 11,141 | 11,141 | - |
| Professional fees | <u>303</u> | <u>303</u> | <u>-</u> |
| Total Expenditures | <u>11,444</u> | <u>11,444</u> | <u>-</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | 706 | 706 | - |
| FUND BALANCE, SEPTEMBER 1, 2012 | 29,433 | 29,433 | - |
| PRIOR PERIOD ADJUSTMENT | <u>(20,000)</u> | <u>(20,000)</u> | <u>-</u> |
| FUND BALANCE BEFORE REFUND TO TDCJ-CJAD | 10,139 | 10,139 | - |
| REFUND DUE TO TDCJ-CJAD | <u>(10,139)</u> | <u>(10,139)</u> | <u>-</u> |
| FUND BALANCE, AUGUST 31, 2013 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' 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

Bowie County Community
Supervision and Corrections Department
New Boston, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Bowie County Community Supervision and Corrections Department, as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the Bowie County Community Supervision and Corrections Department's financial statements, and have issued our report thereon dated March 17, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bowie 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bowie County Community Supervision and Corrections Department's internal control. Accordingly, we do not express an opinion on the effectiveness of Bowie 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 a 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 Bowie County Community Supervision and Corrections Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts and grants, 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 Bowie County Community Supervision and Corrections Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bowie County Community Supervision and Corrections Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, LLP

Waco, Texas
March 17, 2014

**BOWIE COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED AUGUST 31, 2013**

Findings:

None

**BOWIE COUNTY
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT**

FISCAL YEAR 2013 TDCJ-CJAD COMPLIANCE CHECKLIST

FOR THE YEAR ENDED AUGUST 31, 2013

Indicate whether the following compliance requirements have been met by answering "Yes," "No," or "N/A" (Not Applicable): (Note: The first sixteen (16) checklist items are to be answered "Yes" or "No" only.)

Yes Is separate accountability maintained for TDCJ-CJAD funds; i.e., fund accounting? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.

Yes 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 Responses.

Yes Are TDCJ-CJAD funds and locally generated revenues expended in accordance with the *Financial Management Manual for TDCJ-CJAD Funding (FMM)*, TDCJ-CJAD Standards, TDCJ-CJAD Field Correspondence, TDCJ-CJAD Policy Statements, Standard and Special Grant Conditions, and applicable laws? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.

Yes Are proper cutoff procedures observed at the end of each fiscal period? The cutoff date for revenues recognition and expenditures payments of FY 2013 is October 31, 2013.

Yes 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 Responses.

Yes Are TDCJ-CJAD funds not 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 are paid, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.

Yes 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 Responses.

Yes 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 Responses.

Yes Do purchases adhere to the requirements of the Vernon's Texas Codes Annotated Local Government Code, Section 262.023, regarding competitive bids? (*FMM* Pages 35-36) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.

Yes 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 Financial Management Manual for TDCJ-CJAD Funding (*FMM* Pages 8-10)). If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.

- Yes Are all of the CSCD's funds and collections deposited in the county treasury within the time period required by Local Government Code 113.022 and disbursed by the county treasurer on behalf of the CSCD? (*FMM* Pages 7-8; Government Code, Section 509.011; Local Government Code, Section 140.003 (f); and Attorney General's Opinion DM-257, dated September 15, 1993) If not, explain in the Notes to Financial Statements and include in the Schedule of Findings and Responses.
- Yes Did the Fiscal Officer follow the applicable laws, guidelines, and duties as specified on Pages 31-35 of the *Financial Management Manual for TDCJ-CJAD Funding*? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- Yes Were purchasing laws followed as directed in accordance with the same procedures applicable to a county? (Texas Local Government Code Section 140.003 and Chapter 262, *FMM* Pages 35-36) If not, explain in the Notes to the Financial Statements or in the Financial Statements or in the Schedule of Findings and Responses.
- Yes Were there no instances of fraud, non-compliance, waste, or abuse noted by the auditor (Chapter 4, Item 4.25, *Government Auditing Standards*)? If no, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- Yes Are locally generated funds, and other collections, documented with a proper receipt system, and can they be traced to bank deposits and statements? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- Yes Is equipment physically inventoried and adequately supported with an inventory form?
- N/A Was an explanation given in the Schedule of Differences for any changes made to Revenues and Expenditures as reported to TDCJ-CJAD? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- N/A 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? (*FMM* Page 26) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses. The CSCD is to provide a copy of the FY 2013 Time Study to TDCJ-CJAD along with the audit report.
- Yes 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, 2013**, and in accordance with the *Financial Management Manual for TDCJ-CJAD Funding*? (*FMM* Pages 8-10) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- Yes Are idle funds, if any, invested? (*FMM* Page 7) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- Yes Are all non-TDCJ-CJAD funded program fees expended in accordance with applicable limitations; i.e., civil fees, Federal grants, bond fees, etc.? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- N/A Is surplus equipment disposed of in accordance with TDCJ-CJAD guidelines? (*FMM* Page 24) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- Yes Are Victims Restitution Funds accounted for in accordance with Vernon's Texas Codes Annotated Government Code, Section 76.013, and are unclaimed funds tracked for the required five-year period prior to sending to the State Comptroller? (*FMM* Page 28) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.

- Yes Have TDCJ-CJAD policies regarding contracts with vendors been followed, which included maintaining a Contract Monitoring Plan (policy) to monitor vendor payments and compliance with contracts? (*CMM* and Pages 10-11 of these Guidelines) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- Yes Does the CSCD have a policy regarding eligibility for employee salary merit increases, if merit or one-time increases are given? (*FMM* 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 Responses.
- N/A If the CSCD allows offenders to pay a fee to 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-PF-08) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- N/A Are petty cash funds authorized by the county auditor or fiscal officer? (*FMM*, Pages 7-8, 20 and 34) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- N/A Are petty cash funds used only for specific purposes for allowable items as listed in the *Financial Management Manual for TDCJ-CJAD Funding* and expended only for emergency situations authorized by the written policy and approved by the CSCD director? (*FMM*, Pages 7-8, 20 and 34) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- N/A Are items that can reasonable be secured through the purchasing system not purchased from petty cash? (*FMM*, Pages 7-8 and 20) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- Yes Are Personal Bond, Surety Bond, Bail and Certain Other Supervision expenses relating to CSCD employees supervising these cases paid from the administrative fees set in Article 76.015(c) of the government Code, as amended; i.e., salaries, fringe benefits, travel, supplies, equipment, etc., paid from these fees? Are these expenses not being paid from state funds, including local fee collections, which are in the TDCJ-CJAD budgets? If a CSCD employee (or more than one employee who 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 bond supervision 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 Financial Statements or in the Financial Statements or in the Schedule of Findings and Responses.
- N/A With prior TDCJ-CJAD approval, CSCDs may use Basic Supervision, CC, DP, or TAIP fund 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 Responses.
- Yes 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 per convicted offenders 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 BSBD and remitted to the State Comptroller? (*FMM*, Page 27) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.

- Yes 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 not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- Yes Were pretrial intervention fees properly collected and accounted for? (*FMM*, Pages 28-29) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- Yes 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 Statement or in the Schedule of Findings and Responses.
- Yes Is the transactions' administrative fee, if collected, accounted for on a consistent basis? (*FMM*, Page 30) If not, explain in the Notes to Financial Statements or in the Schedule of Findings and Responses.
- N/A If there were negative fund balances in programs at fiscal year-end, were they covered by interfund transfers as described in the Financial Management Manual? (*FMM*, Pages 33-34) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Responses.
- N/A Do action plans exist for all significant findings from previous audits, 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 Responses.