

***GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND  
CORRECTIONS DEPARTMENT***

***FINANCIAL STATEMENTS***

***FOR THE YEAR ENDED  
AUGUST 31, 2015***



GUADALUPE COUNTY COMMUNITY  
SUPERVISION AND CORRECTIONS DEPARTMENT  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

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GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
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## INDEPENDENT AUDITOR'S REPORT

Guadalupe County Community  
Supervision and Corrections Department  
Seguin, Texas

We have audited the accompanying financial statements of the Guadalupe County Community Supervision and Corrections Department (CSCD), which comprise the combined statement of financial position as of August 31, 2015, and the related combined statements of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 09, 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 opinions 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 statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the 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 significant and appropriate to provide a reasonable basis for our opinions.

## **Opinion**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the Guadalupe County Community Supervision and Corrections Department, as of August 31, 2015, and the respective changes in financial position thereof for the year ended, in accordance with the financial reporting provisions of the TDCJ-CJAD as described in Note 2A.

## **Basis of Accounting**

We draw attention to Note 2B 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 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 2A, the financial statements present the operations of the Guadalupe County Community Supervision and Corrections Department only, and are not intended to present fairly the financial positions of Guadalupe County, Texas and the results of its operations in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Guadalupe County Community Supervision and Corrections Department's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual fund financial statements and schedules of differences between audit report and CSCD reports are the responsibility of management and were derived from and relate 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 combining and individual fund financial statements and the schedules of differences referred to above are fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated February 09, 2016 on our consideration of Guadalupe County Community Supervision and Corrections Department's internal control structure over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Guadalupe County Community Supervision and Corrections Department's internal control over financial reporting and compliance.

## **Restriction of Use**

This report is intended solely for the information and use of management of Guadalupe 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.

A handwritten signature in black ink that reads "Armstrong, Vaughan & Associates, P.C." The signature is written in a cursive, flowing style.

Armstrong, Vaughan & Associates, P.C.

February 09, 2016





GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
COMBINED STATEMENT OF FINANCIAL POSITION  
AUGUST 31, 2015

	Basic Supervision Program	Community Corrections Program	Diversion Program	Treatment Alternative to Incarceration Program	Total
<b>ASSETS</b>					
<i>Cash and Investments:</i>					
Bank Balances	\$ 380,705	\$ 80,481	\$ 1,996	\$ 7,525	\$ 470,707
<i>Total Cash and Investments</i>	<u>380,705</u>	<u>80,481</u>	<u>1,996</u>	<u>7,525</u>	<u>470,707</u>
<i>Accounts Receivable:</i>					
Accounts Receivable	899	-	-	-	899
<i>Total Accounts Receivable</i>	<u>899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>899</u>
<b>TOTAL ASSETS</b>	<u>\$ 381,604</u>	<u>\$ 80,481</u>	<u>\$ 1,996</u>	<u>\$ 7,525</u>	<u>\$ 471,606</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<i>Liabilities:</i>					
Accounts Payable	55,923	6,498	1,996	1,973	66,390
Due to TDCJ-CJAD	-	73,983	-	5,552	79,535
Total Liabilities	<u>55,923</u>	<u>80,481</u>	<u>1,996</u>	<u>7,525</u>	<u>145,925</u>
<i>Fund Balance:</i>	<u>325,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,681</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 381,604</u>	<u>\$ 80,481</u>	<u>\$ 1,996</u>	<u>\$ 7,525</u>	<u>\$ 471,606</u>

The accompanying notes are an integral part of these statements.

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE  
FOR THE YEAR ENDED AUGUST 31, 2015

	Basic Supervision Program	Community Corrections Programs	Diversion Programs	Treatment Alternative to Incarceration Program	Total
<b>REVENUES</b>					
State Aid	\$ 316,640	\$ 183,130	\$ 40,681	\$ 24,097	\$ 564,548
Community Supervision Fees	672,079	-	-	-	672,079
Payments by Program Participants	116,810	-	-	-	116,810
Interest Income	829	-	-	-	829
Other Revenues	2,954	-	-	-	2,954
<b>TOTAL REVENUES</b>	<u>1,109,312</u>	<u>183,130</u>	<u>40,681</u>	<u>24,097</u>	<u>1,357,220</u>
<b>EXPENDITURES</b>					
Salaries & Fringe Benefits	1,096,909	116,401	48,065	-	1,261,375
Travel & Furnished Transportation	35,067	603	-	-	35,670
Contract Services for Offenders	8,263	3,818	-	18,364	30,445
Professional Fees	17,438	2,284	740	181	20,643
Supplies & Operating Expenses	35,636	1,297	-	-	36,933
Utilities	365	-	-	-	365
Equipment	15,953	-	412	-	16,365
<b>TOTAL EXPENDITURES</b>	<u>1,209,631</u>	<u>124,403</u>	<u>49,217</u>	<u>18,545</u>	<u>1,401,796</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(100,319)	58,727	(8,536)	5,552	(44,576)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In (Out)	(8,281)	-	8,281	-	-
<b>Total Other Financing Sources (Uses)</b>	(8,281)	-	8,281	-	-
<b>Fund Balance September 1, 2014</b>	434,281	15,256	255	-	449,792
Refund Due to TDCJ-CJAD	-	(73,983)	-	(5,552)	(79,535)
<b>Fund Balance August 31, 2015</b>	<u>\$ 325,681</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,681</u>

The accompanying notes are an integral part of these statements.

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
INDIVIDUAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE –BUDGET AND ACTUAL  
BASIC SUPERVISION PROGRAM  
FOR THE YEAR ENDED AUGUST 31, 2015  
WITH COMPARATIVE ACTUAL FOR THE YEAR ENDED AUGUST 31, 2014

	Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES</b>				
State Aid	\$ 316,640	\$ 316,640	\$ -	\$ 330,069
Community Supervision Fees	685,000	672,079	(12,921)	730,835
Payments by Program Participants	101,412	116,810	15,398	131,378
Interest Income	500	829	329	1,275
Other Revenues	1,475	2,954	1,479	6,729
<b>TOTAL REVENUES</b>	<u>1,105,027</u>	<u>1,109,312</u>	<u>4,285</u>	<u>1,200,286</u>
<b>EXPENDITURES</b>				
Salaries & Fringe Benefits	1,128,510	1,096,909	31,601	991,941
Travel & Furnished Transportation	79,900	35,067	44,833	14,001
Contract Services for Offenders	20,455	8,263	12,192	6,293
Professional Fees	19,605	17,438	2,167	15,633
Supplies & Operating Expenses	246,369	35,636	210,733	39,810
Utilities	1,440	365	1,075	398
Equipment	29,900	15,953	13,947	4,838
<b>TOTAL EXPENDITURES</b>	<u>1,526,179</u>	<u>1,209,631</u>	<u>316,548</u>	<u>1,072,914</u>
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	(421,152)	(100,319)	320,833	127,372
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	(13,129)	(8,281)	4,848	(13,755)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(13,129)	(8,281)	4,848	(13,755)
<b>Fund Balance September 1, 2014</b>	434,281	434,281	-	405,810
Prior Period Adjustment	-	-	-	(37)
Adjusted Beginning Fund Balance	434,281	434,281	-	405,773
Refund Due to TDCJ-CJAD	-	-	-	(85,109)
<b>Fund Balance August 31, 2015</b>	<u>\$ -</u>	<u>\$ 325,681</u>	<u>\$ 325,681</u>	<u>\$ 434,281</u>

The accompanying notes are an integral part of these statements.

GUADALUPE COUNTY  
 COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 ALL COMMUNITY CORRECTIONS FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2015

	Aftercare Substance Abuse	Field Intensive	Sex Offender Supervision Unit	Total
<b>REVENUES</b>				
State Aid	\$ -	\$ 90,122	\$ 93,008	\$ 183,130
<b>TOTAL REVENUES</b>	<u>-</u>	<u>90,122</u>	<u>93,008</u>	<u>183,130</u>
<b>EXPENDITURES</b>				
Salaries & Fringe Benefits	-	49,098	67,303	116,401
Travel & Transportation	-	282	321	603
Contract Services for Offenders	-	-	3,818	3,818
Professional Fees	-	1,351	933	2,284
Supplies & Operating Expenditures	-	206	1,091	1,297
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>50,937</u>	<u>73,466</u>	<u>124,403</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	39,185	19,542	58,727
<b>Fund Balance September 1, 2014</b>	308	8,328	6,620	15,256
Refund Due to TDCJ-CJAD	<u>(308)</u>	<u>(47,513)</u>	<u>(26,162)</u>	<u>(73,983)</u>
<b>Fund Balance August 31, 2015</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

GUADALUPE COUNTY  
 COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
 INDIVIDUAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL  
 COMMUNITY CORRECTIONS  
 AFTERCARE SUBSTANCE ABUSE PROGRAM  
 FOR THE YEAR ENDED AUGUST 31, 2015  
 WITH COMPARATIVE ACTUAL FOR THE YEAR ENDED AUGUST 31, 2014

	Budget	<b>2015 Actual</b>	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES</b>				
State Aid	\$ -	\$ -	\$ -	\$ 53,452
Other Revenue - Prior Year Adjustment	(10,013)	-	10,013	-
<b>TOTAL REVENUES</b>	<u>(10,013)</u>	<u>-</u>	<u>10,013</u>	<u>53,452</u>
<b>EXPENDITURES</b>				
Salaries & Fringe Benefits	-	-	-	52,743
Professional Fees	-	-	-	401
Supplies & Operating Expenses	308	-	308	-
<b>TOTAL EXPENDITURES</b>	<u>308</u>	<u>-</u>	<u>308</u>	<u>53,144</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(10,321)</u>	<u>-</u>	<u>10,321</u>	<u>308</u>
<b>Fund Balance September 1, 2014</b>	10,321	<b>308</b>	10,013	-
Refund Due to TDCJ-CJAD	-	<b>(308)</b>	(308)	-
<b>Fund Balance August 31, 2015</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 308</u>

The accompanying notes are an integral part of these statements.

GUADALUPE COUNTY  
 COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
 INDIVIDUAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL  
 COMMUNITY CORRECTIONS  
 FIELD INTENSIVE  
 FOR THE YEAR ENDED AUGUST 31, 2015  
 WITH COMPARATIVE ACTUAL FOR THE YEAR ENDED AUGUST 31, 2014

	Budget	<b>2015 Actual</b>	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES</b>				
State Aid	\$ 90,122	\$ <b>90,122</b>	\$ -	\$ 60,784
Other Revenue - Prior Year Adjustment	5,007	-	(5,007)	-
<b>TOTAL REVENUES</b>	<u>95,129</u>	<u><b>90,122</b></u>	<u>(5,007)</u>	<u>60,784</u>
<b>EXPENDITURES</b>				
Salaries & Fringe Benefits	53,124	<b>49,098</b>	4,026	50,115
Travel & Transportation	3,000	<b>282</b>	2,718	-
Professional Fees	2,676	<b>1,351</b>	1,325	418
Supplies and Operating Expenses	39,650	<b>206</b>	39,444	660
Equipment	-	-	-	1,262
<b>TOTAL EXPENDITURES</b>	<u>98,450</u>	<u><b>50,937</b></u>	<u>47,513</u>	<u>52,455</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,321)</u>	<u><b>39,185</b></u>	<u>42,506</u>	<u>8,329</u>
<b>Fund Balance September 1, 2014</b>	3,321	<b>8,328</b>	5,007	-
Refund Due to TDCJ-CJAD	-	<b>(47,513)</b>	(47,513)	-
<b>Fund Balance August 31, 2015</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,329</u>

The accompanying notes are an integral part of these statements.

GUADALUPE COUNTY  
 COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
 INDIVIDUAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL  
 COMMUNITY CORRECTIONS  
 SEX OFFENDER SUPERVISION UNIT  
 FOR THE YEAR ENDED AUGUST 31, 2015  
 WITH COMPARATIVE ACTUAL FOR THE YEAR ENDED AUGUST 31, 2014

	Budget	<b>2015 Actual</b>	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES</b>				
State Aid	\$ 93,008	\$ <b>93,008</b>	\$ -	\$ 63,668
Other Revenue - Prior Year Adjustment	5,006	-	(5,006)	-
<b>TOTAL REVENUES</b>	<u>98,014</u>	<u>93,008</u>	<u>(5,006)</u>	<u>63,668</u>
<b>EXPENDITURES</b>				
Salaries & Fringe Benefits	72,461	<b>67,303</b>	5,158	52,525
Travel & Furnished Transportation	3,000	<b>321</b>	2,679	-
Contract Services for Offenders	16,250	<b>3,818</b>	12,432	2,290
Professional Fees	2,198	<b>933</b>	1,265	440
Supplies & Operating Expenses	5,719	<b>1,091</b>	4,628	610
Equipment	-	-	-	1,183
<b>TOTAL EXPENDITURES</b>	<u>99,628</u>	<u><b>73,466</b></u>	<u>26,162</u>	<u>57,048</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,614)</u>	<u><b>19,542</b></u>	<u>21,156</u>	<u>6,620</u>
<b>Fund Balance September 1, 2014</b>	1,614	<b>6,620</b>	(5,006)	-
Refund Due to TDCJ-CJAD	-	<b>(26,162)</b>	(26,162)	-
<b>Fund Balance August 31, 2015</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,620</u>

The accompanying notes are an integral part of these statements.

GUADALUPE COUNTY  
 COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
 INDIVIDUAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL  
 DIVERSION PROGRAM  
 HIGH RISK SUBSTANCE ABUSE  
 FOR THE YEAR ENDED AUGUST 31, 2015  
 WITH COMPARATIVE ACTUAL FOR THE YEAR ENDED AUGUST 31, 2014

	Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES</b>				
State Aid	\$ 40,681	\$ 40,681	\$ -	\$ 40,010
<b>TOTAL REVENUES</b>	<u>40,681</u>	<u>40,681</u>	<u>-</u>	<u>40,010</u>
<b>EXPENDITURES</b>				
Salaries & Fringe Benefits	48,065	48,065	-	53,210
Travel & Furnished Transportation	3,000	-	3,000	-
Professional Fees	2,000	740	1,260	300
Equipment	1,000	412	588	-
<b>TOTAL EXPENDITURES</b>	<u>54,065</u>	<u>49,217</u>	<u>4,848</u>	<u>53,510</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(13,384)	(8,536)	4,848	(13,500)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	13,129	8,281	(4,848)	13,755
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	13,129	8,281	(4,848)	13,755
<b>Fund Balance September 1, 2014</b>	<u>255</u>	<u>255</u>	<u>-</u>	<u>-</u>
<b>Fund Balance August 31, 2015</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255</u>

The accompanying notes are an integral part of these statements.



GUADALUPE COUNTY  
 COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
 INDIVIDUAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL  
 TREATMENT ALTERNATIVES TO INCARCERATION  
 SERVICES FOR SUBSTANCE ABUSERS  
 FOR THE YEAR ENDED AUGUST 31, 2015  
 WITH COMPARATIVE ACTUAL FOR THE YEAR ENDED AUGUST 31, 2014

	Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES</b>				
State Aid	\$ 24,097	\$ 24,097	\$ -	\$ 24,097
<b>TOTAL REVENUES</b>	<u>24,097</u>	<u>24,097</u>	<u>-</u>	<u>24,097</u>
<b>EXPENDITURES</b>				
Contract Services for Offenders	23,916	18,364	5,552	23,916
Professional Fees	181	181	-	181
<b>TOTAL EXPENDITURES</b>	<u>24,097</u>	<u>18,545</u>	<u>5,552</u>	<u>24,097</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	5,552	5,552	-
<b>Fund Balance September 1, 2014</b>	-	-	-	-
Refund Due to TDCJ-CJAD	-	(5,552)	(5,552)	-
<b>Fund Balance August 31, 2015</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.



GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

NOTE 1 – NATURE OF ORGANIZATION

The Guadalupe County Community Supervision and Corrections Department, a special purpose district of state government, was organized to provide certain adult probation services to judicial districts in Guadalupe County. The CSCD is not a department of the County, nor is it an agency of the State of Texas.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The accompanying financial statements include only the revenues of the Guadalupe 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 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 Guadalupe County Community Supervision and Corrections Department accounting and financial statements are processed by the Guadalupe County Auditor's Office. The Guadalupe County Community Supervision and Corrections Department is a specialized local entity and not a part of Guadalupe County or their financial statements.

B. BASIS OF ACCOUNTING

Since the CSCD receives funding from the State government, it must comply with requirements of the State. Therefore, the financial statements of this report are prepared using the basis of accounting prescribed by the TDCJ-CJAD, which is a comprehensive basis of accounting other than 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 statement. The accounts of the CSCD are organized on the basis of fund accounting, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in a fund based upon the source of the funds and the purposes for which they may be spent and the means by which the spending activities are controlled. 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 means by which the spending activities are controlled for the specific activities in accordance with laws, regulations, or other restrictions. Revenues and expenditures are accounted for using either the cash basis of accounting or the modified accrual basis of accounting until the last quarter when the modified accrual basis of accounting must be used.

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
AUGUST 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

**B. BASIS OF ACCOUNTING (CONT.)**

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 after 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 paid by October 31, 2015. Exception of this method of accounting is recording of refunds to the State as reductions of Fund balance.

Funds of the Guadalupe County CSCD are grouped into the agency fund type for the purpose of operation on the Guadalupe County, Texas accounting system. Accounting agency funds are accounts established for deposit and disbursement of funds which are not controlled through the Guadalupe County, Texas budget process and are held in purely a custodial capacity.

**C. BUDGET AND BUDGETARY ACCOUNTING**

Annual budgets are prepared at the beginning of each biennium and are adopted during an open meeting by the Guadalupe County Community Supervision and Corrections Department only after approval by the District Judges and Statutory County Court Judges trying criminal cases in Guadalupe County. The budget is reviewed and approved by the TDCJ-CJAD. Any budget adjustments over \$15,000 or fifteen percent (15%), whichever is greater, must also be approved by the TDCJ-CJAD. Only budget adjustment requests, at year end, received by September 30, 2015 will be reviewed and approved or disapproved by TDCJ-CJAD. TDCJ-CJAD will not accept budget adjustments after September 30, 2015 for the previous fiscal year. The annual budget is adopted on a basis consistent with TDCJ-CJAD financial reporting requirements which is a comprehensive basis other than generally accepted accounting principles. Funds not required to be budgeted include Sex Offender Fees collections, when applicable. Budget amounts presented in this report are the final adjusted amounts.

**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 not utilized by the CSCD.

**E. CASH**

All cash was held in interest bearing accounts and fully insured and collateralized under the depository contract of Guadalupe County. Collateral was held by agents of the depository in the County's name. State laws authorize the CSCD to invest in insured securities, or securities backed by the U.S. government (See Note 3).

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
AUGUST 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

F. INVESTMENTS

State statutes authorize the CSCD to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

Investments are stated at fair value (plus accrued interest) except for money market investments and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less. Those investments are stated at amortized cost. Likewise, certificates of deposit are stated at amortized cost (see Note 3).

G. CAPITAL ASSETS

Capital assets purchased by funds provided by the TDCJ-CJAD in the amount of \$124,050 are not reflected in these combined financial statements per TDCJ-CJAD reporting requirements.

H. FISCAL YEAR

The Guadalupe County Community Supervision and Corrections Department has a fiscal year beginning on September 1 of each year and ending on August 31.

I. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with TDCJ-CJAD financial reporting requirements, which is a comprehensive basis of accounting other than generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates.

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
AUGUST 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

J. COMPENSATED ABSENCES

The CSCD permits employees to accumulate earned but unused vacation pay benefits. When an employee leaves the service of the CSCD, he or she will be paid for all accrued but unused vacation leave upon retirement. Upon resignation or termination, a maximum of 240 hours of unused accrued vacation leave will be paid. In the event of death of an active employee, all unused accrued vacation leave will be paid. The rate of pay will be determined by the salary rate in effect at the time of separation. Any employee who leaves CSCD employment for any reason during the first 12 months of employment will not be paid for any vacation leave. Unused sick leave may be accumulated with no limits. In the event of termination, no reimbursement is made for accumulated sick leave. No liability is reported for unpaid accumulated sick leave.

Liabilities for compensated absences are not recognized in the Guadalupe County Community Supervision and Corrections Department financial statements in accordance with the modified accrual basis of accounting. The liability for compensated absences as of August 31, 2015 was \$55,412.

NOTE 3 – CASH AND CASH INVESTMENTS

The CSCD's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the CSCD's agent bank approved pledge securities in an amount sufficient to protect CSCD funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

A. CASH

At August 31, 2015, the carrying amount of the CSCD cash deposits (including local source funds) with financial institutions was \$470,707 and the bank balance was \$517,957. All of the bank balance was collateralized with securities pledged as collateral pursuant to a depository agreement through Guadalupe County.

B. INVESTMENTS

The CSCD is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the CSCD adhered to the requirements of the Act. Additionally, investment practices of the CSCD were in accordance with local policies.

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
AUGUST 31, 2015

NOTE 3 – CASH AND CASH INVESTMENTS (CONT.)

B. INVESTMENTS (CONT.)

The Act determines the types of investments which are allowable for the CSCD. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The CSCD did not hold any investments at August 31, 2015.

C. PETTY CASH

The CSCD does not utilize petty cash funds.

NOTE 4 – FUNDING SOURCES - STATE AID

Basic Supervision:

The State funding is a per capita allocation based on statistics from the previous full calendar year. The per capital 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 Program (CC) Grant Funds:

The appropriation line item is allocated based on two equally assigned factors: 1) the percentage of the state's population residing in the counties served by the CSCD and 2) the percentage of all felony defendants in the state under direct community supervision by the CSCD. Community Supervision and Corrections Departments are the only entities eligible for CC funds.

Diversion Program (DP) Grant Funds:

This discretionary appropriation line item funding is awarded on a competitive basis. The priorities for distribution are determined biennially. All requests are reviewed by the TDCJ-CJAD staff, approved by management, and then presented to the Judicial Advisory Council.

Substance Abuse Felony Punishment Facilities (SAFPF) Funding: 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 Program line item but is budgeted and reported by CSCD's as state aid under Basic Supervision. No SAFPF funding was received for the year ended August 31, 2015.

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
AUGUST 31, 2015

NOTE 4 – FUNDING SOURCES - STATE AID (CONT.)

Diversion Program (DP) Grant Funds (Continued):

Dedicated Salary Funding: Funds were appropriated by the 81st Legislature specifically for community supervision officers and direct care staff salary increases of 3.5% of the salaries as of August 31, 2009 for FY 2010 and another 3.5% increase as of August 31, 2009 salaries for FY 2011. To date, the dedicated salary funding amounts are the same as in FY 2011. Appropriations of the Dedicated Salary are allocated by TDCJ-CJAD through the DP line item but is budgeted and reported by CSCDs as state aid under Basic Supervision.

Treatment Alternative to Incarceration Program (TAIP) Grant Funds:

The Treatment Alternative to Incarceration Program provides a continuum of substance abuse treatment services and accountability programming for individual offenders, subject to TAIP funding and guidelines. Services include assessment, screening, and referral to treatment services.

NOTE 5 – SUPPORT PROVIDED FROM SOURCES OTHER THAN TDCJ-CJAD

Funds Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports:

Funds collected by Guadalupe County Community Supervision and Corrections Department from sources other than TDCJ-CJAD which are required by TDCJ-CJAD to be reported on the financial reports are as shown below:

Source	Amount Received	Restrictions for Use	Expended In Accordance With Restriction
Community Supervision Fees	\$ 672,079	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Payments by Program Participants	116,810	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Interest Income	829	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Health & Human Services Commission: Restitution Fraud Collection Fees	2,198	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Recycling Income	511	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Restitution Interest Income	171	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Unclaimed Property	140	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes
Overpayments of Less Than \$5	(66)	Financial Management Manual for TDCJ-CJAD Funding restrictions	Yes



GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
AUGUST 31, 2015

NOTE 5 – SUPPORT PROVIDED FROM SOURCES OTHER THAN TDCJ-CJAD (CONT.)

Funds Not Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports:

Funds collected by Guadalupe County Community Supervision and Corrections Department from sources other than the TDCJ-CJAD which are not required by TDCJ-CJAD to be reported on the financial reports are shown below:

Source	Amount Received	Restrictions for Use	Expended In Accordance With Restriction	Fund Balance at August 31, 2015
Victim Restitution	\$ 215,974	Government Code 76.013, paid directly to victim within certain timelines	Yes	\$ -
Bond Supervision Fees	22,043	Article 17.40 of the Code of Criminal Procedure/Senate Bill (SB) 880 in the 82 <sup>nd</sup> Legislature	Yes	65,015
Supervision Fee for Sex Offenders	2,168	Article 42.12, Section 19(f) of the Code of Criminal Procedure	Yes	384
Fee for Family Violence Shelter	1,618	Article 42.12, Section 11(h) of the Code of Criminal Procedure	Yes	-
Fee for Children's Advocacy Center	250	Article 42.12, Section 11(g) of the Code of Criminal Procedure	Yes	-
Court Costs and Fines	17,305	Deposited as per Local Government Code, Chapter 113, Section 113.022 and transferred to Guadalupe County	Yes	-

Guadalupe County provides the Guadalupe County Community Supervision and Corrections Department with office space, utilities, and the majority of the equipment used in normal day-to-day operations. These costs are recorded on the Guadalupe County accounting records and are not a part of these financial statements.

Guadalupe County Supervision and Corrections Department also collected fees for Bond Supervision. This program funding includes supervision fees collected from offenders and is designated for related payroll and other operating expenses. Bond Supervision accounting records are not reported to TDCJ and are not a part of these financial statements.

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
AUGUST 31, 2015

NOTE 5 – SUPPORT PROVIDED FROM SOURCES OTHER THAN TDCJ-CJAD (CONT.)

Funds Not Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports (Continued):

Guadalupe County Supervision and Corrections Department also collected supervision fees for offenders related to sex offenders, family violence center, or children's advocacy centers. Upon collection, these fees are remitted to the appropriate entity as required by court order or State requirements. The CSCD also collects court costs and fines under various statutes, which are transferred to Guadalupe County upon collection. Sex offender fees, family violence shelter fees, children's advocacy center fees, and court costs and fines collected by the CSCD are not considered support.

NOTE 6 – EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL PROGRAMS

There were no expenditures in excess of budgeted appropriations in individual programs.

NOTE 7 – ACCOUNTS AND INTERFUND TRANSFERS RECEIVABLE AND PAYABLE AT AUGUST 31, 2015

There were no interfund transfers receivable between programs as of August 31, 2015.

NOTE 8 – VENDOR CONTRACTS FOR OFFENDER SERVICES

The Guadalupe County Community Supervision and Corrections Department did not have any contracts with any single vendor for over \$100,000 for the year ended August 31, 2015.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The management of the Guadalupe County Community Supervision and Corrections Department is not aware of any pending or threatened litigation that would result in any significant financial impact nor is management aware of any other commitments or contingencies which might significantly affect these financial statements.

NOTE 10 – PENSION PLAN

The Guadalupe County Community Supervision and Corrections Department is included in the Guadalupe County Retirement Plan on a reimbursement basis, which is handled by Texas County and District Retirement System. Details of the retirement plan can be found in the Guadalupe County Comprehensive Annual Financial Report for the Year Ended September 30, 2015.

NOTE 11 – PRIOR PERIOD ADJUSTMENTS AND REFUNDS

The CSCD amended the 2<sup>nd</sup> Quarterly Reports to reflect a prior period adjustment for the three Community Corrections Programs (Aftercare Substance Abuse, Field Intensive, and Sex Offender Supervision Unit). The adjustment was to correct a reporting error found on the 4<sup>th</sup> Quarter Reports for the year ended August 31, 2014 and was discovered during the previous audit. The CSCD's financial statements were correct.

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
AUGUST 31, 2015

NOTE 11 – SUBSEQUENT EVENTS

No events occurred subsequent to year end and through the date of this report that would require disclosure in this financial report.

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
SCHEDULE OF DIFFERENCES BETWEEN  
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CSCD  
BASIC SUPERVISION  
FOR THE YEAR ENDED AUGUST 31, 2015

	Audit	Per CSCD Report	Differences*
<b>REVENUES</b>			
State Aid	\$ 316,640	\$ 316,640	\$ -
Community Supervision Fees	672,079	672,079	-
Payments by Program Participants	116,810	116,810	-
Interest Income	829	829	-
Other Revenues	2,954	2,954	-
<b>TOTAL REVENUES</b>	<u>1,109,312</u>	<u>1,109,312</u>	<u>-</u>
<b>EXPENDITURES</b>			
Salaries & Fringe Benefits	1,096,909	1,096,909	-
Travel & Furnished Transportation	35,067	35,067	-
Contract Services for Offenders	8,263	8,263	-
Professional Fees	17,438	17,438	-
Supplies & Operating Expenses	35,636	35,636	-
Utilities	365	365	-
Equipment	15,953	15,953	-
<b>TOTAL EXPENDITURES</b>	<u>1,209,631</u>	<u>1,209,631</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(100,319)</b>	<b>(100,319)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(8,281)	(8,281)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(8,281)</b>	<b>(8,281)</b>	<b>-</b>
<b>Fund Balance September 1, 2014</b>	<u>434,281</u>	<u>434,281</u>	<u>-</u>
<b>Fund Balance August 31, 2015</b>	<u>\$ 325,681</u>	<u>\$ 325,681</u>	<u>\$ -</u>

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
SCHEDULE OF DIFFERENCES BETWEEN  
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CSCD  
COMMUNITY CORRECTIONS PROGRAM  
AFTERCARE SUBSTANCE ABUSE  
FOR THE YEAR ENDED AUGUST 31, 2015

	Audit	Per CSCD Report	Differences*
<b>REVENUES</b>			
State Aid	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Salaries & Fringe Benefits	-	-	-
Professional Fees	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	-
<b>Fund Balance September 1, 2014</b>	308	10,321	(10,013)
Prior Period Adjustment	-	(10,013)	10,013
<b>Adjusted Beginning Fund Balance</b>	<u>308</u>	<u>308</u>	<u>-</u>
Refund Due to TDCJ-CJAD	(308)	(308)	-
<b>Fund Balance August 31, 2015</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\*Differences due to the CSCD not reporting a transfer of revenues from Community Corrections Program – Aftercare Substance Abuse to Community Corrections Program – Field Intensive in the amount of \$5,007 and Community Corrections Program – Sex Offender Supervision Program in the amount of \$5,006 in the prior year.

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
SCHEDULE OF DIFFERENCES BETWEEN  
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CSCD  
COMMUNITY CORRECTIONS PROGRAM  
FIELD INTENSIVE  
FOR THE YEAR ENDED AUGUST 31, 2015

	Audit	Per CSCD Report	Differences*
<b>REVENUES</b>			
State Aid	\$ 90,122	\$ 90,122	\$ -
<b>TOTAL REVENUES</b>	<u>90,122</u>	<u>90,122</u>	<u>-</u>
<b>EXPENDITURES</b>			
Salaries & Fringe Benefits	49,098	49,098	-
Travel and Furnished Transportation	282	282	-
Professional Fees	1,351	1,351	-
Supplies & Operating Expenditures	206	206	-
Equipment	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>50,937</u>	<u>50,937</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	39,185	39,185	-
<b>Fund Balance September 1, 2014</b>	8,328	3,321	5,007
Prior Period Adjustment	-	5,007	(5,007)
<b>Adjusted Beginning Fund Balance</b>	8,328	8,328	-
Refund Due to TDCJ-CJAD	(47,513)	(47,513)	-
<b>Fund Balance August 31, 2015</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\*Differences due to rounding and the CSCD not reporting a transfer of revenues to Community Corrections Program –Field Intensive in the amount of \$5,007 from Community Corrections Program – Aftercare Substance Abuse in the prior year.

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
SCHEDULE OF DIFFERENCES BETWEEN  
AUDIT REPORT AND REPORTS AS SUBMITTED TO TDCJ-CSCD  
COMMUNITY CORRECTIONS PROGRAM  
SEX OFFENDER SUPERVISION UNIT  
FOR THE YEAR ENDED AUGUST 31, 2015

	Audit	Per CSCD Report	Differences*
<b>REVENUES</b>			
State Aid	\$ 93,008	\$ 93,008	\$ -
<b>TOTAL REVENUES</b>	<b>93,008</b>	<b>93,008</b>	<b>-</b>
<b>EXPENDITURES</b>			
Salaries & Fringe Benefits	67,303	67,303	-
Travel & Furnished Transportation	321	321	-
Contract Services for Offenders	3,818	3,818	-
Professional Fees	933	933	-
Supplies & Operating Expenditures	1,091	1,091	-
Equipment	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>73,466</b>	<b>73,466</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>19,542</b>	<b>19,542</b>	<b>-</b>
<b>Fund Balance September 1, 2014</b>	<b>6,620</b>	<b>1,614</b>	<b>5,006</b>
Prior Period Adjustment	-	5,006	(5,006)
<b>Adjusted Beginning Fund Balance</b>	<b>6,620</b>	<b>6,620</b>	<b>-</b>
Refund Due to TDCJ-CJAD	(26,162)	(26,162)	-
<b>Fund Balance August 31, 2015</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*Differences due to the CSCD not reporting a transfer of revenues from Community Corrections Program – Aftercare Substance Abuse to Community Corrections Program – Sex Offender Supervision Program in the amount of \$5,006 in the prior year.

GUADALUPE COUNTY  
 COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
 SCHEDULE OF DIFFERENCES BETWEEN  
 AUDIT REPORT AND REPORTS AS SUBMITTED TO TDCJ-CSCD  
 DIVERSION PROGRAM  
 HIGH RISK SUBSTANCE ABUSE  
 FOR THE YEAR ENDED AUGUST 31, 2015

	Audit	Per CSCD Report	Differences
<b>REVENUES</b>			
State Aid	\$ 40,681	\$ 40,681	\$ -
<b>TOTAL REVENUES</b>	<u>40,681</u>	<u>40,681</u>	<u>-</u>
<b>EXPENDITURES</b>			
Salaries & Fringe Benefits	48,065	48,065	-
Professional Fees	740	740	-
Equipment	412	412	-
<b>TOTAL EXPENDITURES</b>	<u>49,217</u>	<u>49,217</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(8,536)	(8,536)	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	8,281	8,281	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	8,281	8,281	-
<b>Fund Balance September 1, 2014</b>	<u>255</u>	<u>255</u>	<u>-</u>
<b>Fund Balance August 31, 2015</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



GUADALUPE COUNTY  
 COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
 SCHEDULE OF DIFFERENCES BETWEEN  
 AUDIT REPORT AND REPORTS AS SUBMITTED TO TDCJ-CSCD  
 TREATMENT ALTERNATIVES TO INCARCERATION  
 SERVICES FOR SUBSTANCE ABUSERS  
 FOR THE YEAR ENDED AUGUST 31, 2015

	Audit	Per CSCD Report	Differences
<b>REVENUES</b>			
State Aid	\$ 24,097	\$ 24,097	\$ -
<b>TOTAL REVENUES</b>	<u>24,097</u>	<u>24,097</u>	<u>-</u>
<b>EXPENDITURES</b>			
Contract Services for Offenders	18,364	18,364	-
Professional fees	181	181	-
<b>TOTAL EXPENDITURES</b>	<u>18,545</u>	<u>18,545</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	5,552	5,552	-
<b>Fund Balance September 1, 2014</b>	-	-	-
Refund Due to TDCJ-CJAD	<u>(5,552)</u>	<u>(5,552)</u>	<u>-</u>
<b>Fund Balance August 31, 2015</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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*

Guadalupe County Community  
Supervision and Corrections Department  
Guadalupe County, Texas

We have audited in accordance with 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 Guadalupe County Community Supervision and Corrections Department, which collectively comprise Guadalupe County Community Supervision and Corrections Department's basic financial statements, and have issued our report thereon dated February 09, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Guadalupe County Community Supervision and Corrections Department's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Guadalupe County Community Supervision and Corrections Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Guadalupe 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 Guadalupe County Community Supervision and Corrections Department's financial statements are free of 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 *Governmental 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 Guadalupe 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 those specified parties.

Respectfully submitted,

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

February 09, 2016

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2015

REPORTABLE CONDITION: None.

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
TDCJ – CJAD COMPLIANCE CHECKLIST  
AUGUST 31, 2015

The following items represent requirements applicable to accounting for funds received from the Texas Department of Criminal Justice (TDCJ).

- Yes 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.
- 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 Questioned Costs.
- Yes Are TDCJ-CJAD funds and locally generated revenues expended in accordance with the *Financial Management Manual for TDCJ-CJAD Funding*, 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.
- Yes Are proper cut-off procedures observed at the end of each fiscal period? The cut-off date for revenue recognition and expenditure payments of FY 2015 is October 31, 2015.
- 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 Questioned Costs.
- No Are 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 are paid, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- 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 Questioned Costs.
- 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 Questioned Costs.
- 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 Questioned Costs.
- Yes Are all of the CSCD's funds and collections deposited in the county treasury (county's bank account)? (*FMM Pages 7-8*; Government Code, Section 509.011; Local Government Code, Section 140.003 (f); and Attorney General's Opinion DM-257, dated September 15, 1993) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
TDCJ – CJAD COMPLIANCE CHECKLIST (CONT.)  
AUGUST 31, 2015

- Yes Are all of the CSCD’s funds and collections disbursed by the county treasurer on behalf of the CSCD? (*FMM* Pages 7-8; Government Code, Section 509.011; Local Government Code, Section 140.003 (f); and Attorney General’s Opinion DM-257, dated September 15, 1993) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are all of the CSCD’s funds and collections deposited in the county treasury (county’s bank account) within the time period required by Local Government Code 113.022? (*FMM* Pages 7-8) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- 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 Questioned Costs.
- Yes Were purchasing laws, including required competitive bidding, followed as directed in accordance with the same procedures applicable to a county? (Texas Local Government Code 140.003 and Chapter 262, *FMM* Pages 35-36) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- No Were there any 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 Questioned Costs.
- Yes 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.
- Yes Is equipment physically inventoried and adequately supported with an inventory form? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes 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 Questioned Costs.
- Yes Was an explanation given in the Schedule of Differences for any changes that were made to Revenues and Expenditures that adjusted the previous amounts reported to TDCJ-CJAD? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- 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 Questioned Costs.

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
TDCJ – CJAD COMPLIANCE CHECKLIST (CONT.)  
AUGUST 31, 2015

- 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, 2015, and in accordance with the *Financial Management Manual for TDCJ-CJAD Funding?* (FMM Pages 8-10) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes 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.
- Yes Are Victim Restitution Funds accounted for in accordance with Texas Government Code, Section 76.013, and are unclaimed funds tracked for the required five-year period prior to sending to the State Comptroller? (FMM Page 28) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Have TDCJ-CJAD policies regarding contracts with vendors been followed, which includes maintaining a Contract Monitoring Plan (policy) to monitor vendor payments and compliance with contracts? (CMM and Pages 9-10 of these Guidelines) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- 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 Questioned Costs.
- N/A 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.
- N/A Are petty cash funds (not change 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 Questioned Costs.
- 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 a 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 Questioned Costs.

GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
TDCJ – CJAD COMPLIANCE CHECKLIST (CONT.)  
AUGUST 31, 2015

- Yes Are Personal 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 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.
- N/A 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.
- 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 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.
- N/A 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.
- Yes Were pretrial 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.
- 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 Statements or in the Schedule of Findings and Questioned Costs.



GUADALUPE COUNTY  
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT  
TDCJ – CJAD COMPLIANCE CHECKLIST (CONT.)  
AUGUST 31, 2015

N/A 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.

N/A 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.

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 Questioned Costs.

