GUADALUPE COUNTY
COMMUNITY SUPERVISION AND
CORRECTIONS DEPARTMENT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
AUGUST 31, 2021

GUADALUPE COUNTY

SEGUIN ★ 1846 ★ TEXAS

GUADALUPE COUNTY COMMUNITY
SUPERVISION AND CORRECTIONS DEPARTMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

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SUPERVISION AND CORRECTIONS DEPARTMENT
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The accompanying notes are an integral part of these statements.

Armstrong, Vaughan & Associates, P. C.
Certified Public Accountants

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, 2021, and the related financial statements of activities for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 11, 2022.

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.

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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 governmental activities of the Guadalupe County Community Supervision and Corrections Department, as of August 31, 2021, and the respective changes in financial position for the year ended, in accordance with the financial reporting provisions of the TDCJ-CJAD as described in Note 1.

Basis of Accounting

We draw attention to Note 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 1, 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 as submitted to TDCJ-CJAD 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 11, 2022 on our consideration of Guadalupe County Community Supervision and Corrections Department's internal control 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.

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.

February 11, 2022

The accompanying notes are an integral part of these statements.

GUADALUPE COUNTY
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT
COMBINED STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2021

	Basic Supervision	Community Corrections	Diversion Programs	Total
ASSETS				
Cash and Investments:				
Bank Balances	$ 912,275	$ 61,417	$ 5,621	$ 979,313
Total Cash and Investments	912,275	61,417	5,621	979,313
Accounts Receivable:				
Accounts Receivable	990	-	-	990
Total Accounts Receivable	990	-	-	990
TOTAL ASSETS	$ 913,265	$ 61,417	$ 5,621	$ 980,303
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts Payable	$ 42,930	$ 4,971	$ 5,521	$ 53,422
Due to TDCJ-CJAD	-	56,446	100	56,546
Total Liabilities	42,930	61,417	5,621	109,968
Fund Balance	870,335	-	-	870,335
TOTAL LIABILITIES AND FUND BALANCE	$ 913,265	$ 61,417	$ 5,621	$ 980,303

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, 2021

	Basic Supervision	Community Corrections	Diversion Programs	Total
REVENUE				
State Aid	$ 386,993	$ 227,084	$ 125,010	$ 739,087
Total State Aid	386,993	227,084	125,010	739,087
Community Supervision Fees	804,591	-	-	804,591
Payments by Program Participants	123,507	-	-	123,507
Interest Income	3,796	-	-	3,796
Other Revenue	131	-	-	131
TOTAL REVENUE	1,319,018	227,084	125,010	1,671,112
EXPENDITURES				
Salaries & Fringe Benefits	1,047,748	153,337	124,219	1,325,304
Travel & Furnished Transportation	5,531	440	-	5,971
Contract Services for Offenders	7,992	-	23,920	31,912
Professional Fees	4,363	6,186	938	11,487
Supplies & Operating Expenses	29,092	1,585	-	30,677
Utilities	789	-	-	789
Equipment	4,245	697	-	4,942
TOTAL EXPENDITURES	1,099,760	162,245	149,077	1,411,082
Excess (Deficiency) of Revenues Over (Under) Expenditures	219,258	64,839	(24,067)	260,030
OTHER FINANCING SOURCES (USES)				
Basic Supervision Interfund Transfer	(11,604)	8,513	3,091	-
CC Interfund Transfer to DP	-	(16,906)	16,906	-
TOTAL OTHER FINANCING SOURCES (USES)	(11,604)	(8,393)	19,997	-
PRIOR YEAR ENDING FUND BALANCE	662,681	-	4,170	666,851
Adjusted Beginning Fund Balance	662,681	-	4,170	666,851
Refund Due to TDCJ-CJAD	-	(56,446)	(100)	(56,546)
AUDITED YEAR ENDING FUND BALANCE	$ 870,335	$ -	$ -	$ 870,335

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, 2021

	CC			
	Community Services Restitution	Field Intensive/ High Risk Specialized Caseload	Sex Offender Specialized Caseload	Total
REVENUES				
State Aid	$ 85,404	$ 76,462	$ 65,218	$ 227,084
TOTAL REVENUE	85,404	76,462	65,218	227,084
EXPENDITURES				
Salaries & Fringe Benefits	40,753	60,063	52,521	153,337
Travel & Furnished Transportation	440	-	-	440
Professional Fees	5,124	573	489	6,186
Supplies & Operating Expenditures	1,585	-	-	1,585
Equipment	697	-	-	697
TOTAL EXPENDITURES	48,599	60,636	53,010	162,245
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,805	15,826	12,208	64,839
OTHER FINANCING SOURCES (USES)				
Basic Supervision Interfund Transfer	2,511	2,911	3,091	8,513
CC Interfund Transfer to DP	(1,607)	-	(15,299)	(16,906)
TOTAL OTHER FINANCING SOURCES (USES)	904	2,911	(12,208)	(8,393)
PRIOR YEAR ENDING FUND BALANCE	-	-	-	-
Refund to TDCJ-CJAD	(37,709)	(18,737)	-	(56,446)
Adjusted Beginning Fund Balance	(37,709)	(18,737)	-	(56,446)
AUDITED YEAR ENDING FUND BALANCE	$ -	$ -	$ -	$ -

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 DIVERSION FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	DP			
	Assessment Unit	High Risk Substance Abuse Specialized Caseload	Mental Health Initiative	Total
REVENUE				
State Aid	$ 20,000	$ 40,010	$ 65,000	$ 125,010
TOTAL REVENUE	20,000	40,010	65,000	125,010
EXPENDITURES				
Salaries & Fringe Benefits	-	59,380	64,839	124,219
Contract Services for Offenders	23,920	-	-	23,920
Professional Fees	150	300	488	938
TOTAL EXPENDITURES	24,070	59,680	65,327	149,077
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,070)	(19,670)	(327)	(24,067)
OTHER FINANCING SOURCES (USES)				
Basic Supervision Interfund Transfer	-	3,091	-	3,091
CC Interfund Transfer to DP	-	16,579	327	16,906
TOTAL OTHER FINANCING SOURCES (USES)	-	19,670	327	19,997
PRIOR YEAR ENDING FUND BALANCE	4,170	-	-	4,170
Refund to TDCJ-CJAD	(100)	-	-	(100)
Adjusted Beginning Fund Balance	4,070	-	-	4,070
AUDITED YEAR ENDING FUND BALANCE	$ -	$ -	$ -	$ -

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, ACTUAL AND VARIANCE
FOR THE YEAR ENDED AUGUST 31, 2021
BASIC SUPERVISION

	Budget	**2021 Actual**	Variance Favorable (Unfavorable)
TYPE OF REVENUE			
Requested TDCJ-CJAD Funding (State Aid)	$ 386,993	**$ 386,993**	$ -
Community Supervision Fees Collected	650,000	**804,591**	154,591
Payments by Program Participants	115,000	**123,507**	8,507
Interest Income	3,000	**3,796**	796
Carry Over from Previous FY (Prior Year Ending Fund Balance)	662,703	**662,681**	(22)
Other Revenue	1,875	**131**	(1,744)
Basic Supervision Interfund Transfer	(11,604)	**(11,604)**	-
TOTAL REVENUES	1,807,967	**1,970,095**	162,128
TYPE OF EXPENDITURES			
Salaries & Fringe Benefits	1,075,674	**1,047,748**	27,926
Travel & Furnished Transportation	15,100	**5,531**	9,569
Contract Services for Offenders	19,360	**7,992**	11,368
Professional Fees	8,022	**4,363**	3,659
Supplies & Operating Expenses	683,011	**29,092**	653,919
Utilities	1,000	**789**	211
Equipment	5,800	**4,245**	1,555
TOTAL EXPENDITURES	1,807,967	**1,099,760**	708,207
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	**870,335**	870,335
AUDITED YEAR ENDING FUND BALANCE - ACTUALS		**$ 870,335**	

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, ACTUAL AND VARIANCE
FOR THE YEAR ENDED AUGUST 31, 2021
COMMUNITY CORRECTIONS
COMMUNITY SERVICES RESTITUTION

	Budget	**2021 Actual**	Variance Favorable (Unfavorable)
TYPE OF REVENUE			
Requested TDCJ-CJAD Funding (State Aid)	$ 85,404	**$ 85,404**	$ -
Basic Supervision Interfund Transfer	2,511	**2,511**	-
CC Interfund Transfer to DP	(1,607)	**(1,607)**	-
TOTAL REVENUE	86,308	**86,308**	-
TYPE OF EXPENDITURES			
Salaries & Fringe Benefits	67,455	**40,753**	26,702
Travel & Furnished Transportation	3,000	**440**	2,560
Professional Fees	5,124	**5,124**	-
Supplies & Operating Expenses	10,032	**1,585**	8,447
Equipment	697	**697**	-
TOTAL EXPENDITURES	86,308	**48,599**	37,709
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	**37,709**	37,709
Refund to TDCJ-CJAD - Actuals		**(37,709)**	
Total Refunds - Actuals		**(37,709)**	
AUDITED YEAR ENDING FUND BALANCE - ACTUALS		**$ -**	

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, ACTUAL AND VARIANCE
FOR THE YEAR ENDED AUGUST 31, 2021
COMMUNITY CORRECTIONS
FIELD INTENSIVE/HIGH RISK SPECIALIZED CASELOAD

	Budget	**2021 Actual**	Variance Favorable (Unfavorable)
TYPE OF REVENUE			
Requested TDCJ-CJAD Funding (State Aid)	$ 76,462	**$ 76,462**	$ -
Basic Supervision Interfund Transfer	2,911	**2,911**	-
TOTAL REVENUE	79,373	**79,373**	-
TYPE OF EXPENDITURES			
Salaries & Fringe Benefits	60,064	**60,063**	1
Professional Fees	573	**573**	-
Supplies & Operating Expenses	18,736	**-**	18,736
TOTAL EXPENDITURES	79,373	**60,636**	18,737
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	**18,737**	18,737
Refund to TDCJ-CJAD - Actuals		**(18,737)**	
Total Refunds - Actuals		**(18,737)**	
AUDITED YEAR ENDING FUND BALANCE - ACTUALS		**$ -**	

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, ACTUAL AND VARIANCE
FOR THE YEAR ENDED AUGUST 31, 2021
COMMUNITY CORRECTIONS
SEX OFFENDER SPECIALIZED CASELOAD

	Budget	**2021 Actual**	Variance Favorable (Unfavorable)
TYPE OF REVENUE			
Requested TDCJ-CJAD Funding (State Aid)	$ 65,218	**$ 65,218**	$ -
Basic Supervision Interfund Transfer	3,091	**3,091**	-
CC Interfund Transfer to DP	(15,299)	**(15,299)**	-
TOTAL REVENUE	53,010	**53,010**	-
TYPE OF EXPENDITURES			
Salaries & Fringe Benefits	52,521	**52,521**	-
Professional Fees	489	**489**	-
TOTAL EXPENDITURES	53,010	**53,010**	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	**-**	-
AUDITED YEAR ENDING FUND BALANCE - ACTUALS		**$ -**	

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, ACTUAL AND VARIANCE
FOR THE YEAR ENDED AUGUST 31, 2021
DIVERSION PROGRAM
ASSESSMENT UNIT

	Budget	**2021 Actual**	Variance Favorable (Unfavorable)
TYPE OF REVENUE			
Requested TDCJ-CJAD Funding (State Aid)	$ 20,000	**$ 20,000**	$ -
Carry Over from Previous FY (Prior Year Ending Fund Balance)	4,170	**4,170**	-
TOTAL REVENUE	24,170	**24,170**	-
TYPE OF EXPENDITURES			
Contract Services for Offenders	24,020	**23,920**	100
Professional Fees	150	**150**	-
TOTAL EXPENDITURES	24,170	**24,070**	100
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	**100**	100
Refund to TDCJ-CJAD - Actuals		**(100)**	
Total Refunds - Actuals		**(100)**	
AUDITED YEAR ENDING FUND BALANCE - ACTUALS		**$ -**	

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, ACTUAL AND VARIANCE
FOR THE YEAR ENDED AUGUST 31, 2021
DIVERSION PROGRAM
HIGH RISK SUBSTANCE ABUSE SPECIALIZED CASELOAD

	Budget	**2021 Actual**	Variance Favorable (Unfavorable)
TYPE OF REVENUE			
Requested TDCJ-CJAD Funding (State Aid)	$ 40,010	**$ 40,010**	$ -
Basic Supervision Interfund Transfer	3,091	**3,091**	-
CC Interfund Transfer to DP	16,579	**16,579**	-
TOTAL REVENUE	59,680	**59,680**	-
TYPE OF EXPENDITURES			
Salaries & Fringe Benefits	59,380	**59,380**	-
Professional Fees	300	**300**	-
TOTAL EXPENDITURES	59,680	**59,680**	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	**-**	-
AUDITED YEAR ENDING FUND BALANCE - ACTUALS		**$ -**	

The accompanying notes are an integral part of these statements.

GUADALUPE COUNTY
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT
INDIVIDUALSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET, ACTUAL AND VARIANCE
FOR THE YEAR ENDED AUGUST 31, 2021
DIVERSION PROGRAM
MENTAL HEALTH INITIATIVE

	Budget	**2021 Actual**	Variance Favorable (Unfavorable)
TYPE OF REVENUE			
Requested TDCJ-CJAD Funding (State Aid)	$ 65,000	**$ 65,000**	$ -
CC Interfund Transfer to DP	327	**327**	-
TOTAL REVENUE	65,327	**65,327**	-
TYPE OF EXPENDITURES			
Salaries & Fringe Benefits	64,839	**64,839**	-
Professional Fees	488	**488**	-
TOTAL EXPENDITURES	65,327	**65,327**	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	**-**	-
AUDITED YEAR ENDING FUND BALANCE - ACTUALS		**$ -**	

The accompanying notes are an integral part of these statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Guadalupe County Community Supervision and Corrections Department (CSCD), 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.

The accompanying financial statements include the revenue 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 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 Department 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, 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 Guadalupe County CSCD are organized on the basis of fund accounting, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in a fund based upon the source of the funds and the purposes for which they may be spent and the means by which the spending activities are controlled for the specific activities in accordance with laws, regulations, or other restrictions. Revenues and expenditures are accounted for using either the cash basis of accounting or the modified accrual basis of accounting until the last quarter when the modified accrual basis of accounting must be used.

NOTE 1 – 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, 2021 for financial activity performed by August 31, 2021 are considered available. Also, purchases for which the commitment has been established by August 31, 2021 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, 2021. 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

Pursuant to Government Code, Section 76.004 and 76.002, the budgets governing the funding to the programs are prepared biennially, then approved by the district judges and the criminal court-at-law judges with jurisdiction over the department 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, 2021 will be reviewed and approved or disapproved by TDCJ-CJAD. TDCJ-CJAD will not accept budget adjustments after September 30, 2021 for the previous fiscal year. Only budget adjustments approved by TDCJ-CJAD should be referred to in performing the financial audit. 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. 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).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

E. 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.

The CSCD reports investments at fair value based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

F. CAPITAL ASSETS

Capital assets purchased by funds provided by the TDCJ-CJAD in the amount of $109,879 are not reflected in these combined financial statements per TDCJ-CJAD reporting requirements.

G. 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.

H. 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.

NOTE 2 – ONE TIME/SUPPLEMENTAL PAYMENTS

The CSCD did not receive any one-time grant awards or supplemental payments during the year ended August 31, 2021.

NOTE 3 – DEOBLIGATIONS

The CSCD did not have any deobligated funds during the year ended August 31, 2021.

NOTE 4 – INTERFUND AND FUND TRANSFERS

Interfund transfers during the year ended August 31, 2021 were as follows:

Transferring Fund	Transfer Out	Transfer In	Description/Purpose
Basic Supervision	$ (20,665)	$ -	
CC - Community Service Restitution	-	2,511	Transfer Dedicated Salary Funds
CC - Field Intensive	-	2,911	Transfer Dedicated Salary Funds
CC - Sex Offender Specialized	-	3,091	Transfer Dedicated Salary Funds
DP - High Risk Substance Abuse	-	12,152	Insufficient state funding
Total:	$ (20,665)	$ 20,665	
DP - High Risk Substance Abuse Specialized	$ (9,061)	$ -	Return unused funds
Basic Supervision	-	9,061	
Total:	$ (9,061)	$ 9,061	
CC - Community Service Restitution	$ (1,607)	$ -	Cover state funding deficit in DP and expend excess CC funds
CC - Sex Offender Specialized	(15,299)	-	Cover state funding deficit in DP and expend excess CC funds
DP - Mental Health Initiative	-	327	
DP - High Risk Substance Abuse Specialized	-	16,579	
Total:	$ (16,906)	$ 16,906	

NOTE 5 – PRIOR PERIOD ADJUSTMENTS

There are no prior period adjustments for the year ended August 31, 2021.

NOTE 6 – REFUNDS

A the end of the year, the CSCD owed end of biennium refunds to TDCJ-CJAD in the following programs:

Program	Refund Amount
CC - Community Service Restitution	$ 37,709
CC - Field Intensive	18,737
DP - Assessment Unit	100
	$ 56,546

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

A. CASH, COLLECTIONS, CHANGE FUND AND PETTY CASH

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.

During August 31, 2021, the CSCD's state aid and net funds (revenues) received were deposited and held, and collection account's remaining net funds (revenues) were transferred into a special fund of the county treasury, on or before the next regular business day, or on or before the fifth business day after the day on which the money was received. All CSCD's state aid and net funds (revenues) received were held, deposited, disbursed, invested and otherwise cared for by the County on behalf of the CSCD as the CSCD directed (Government Code 509.011 (c) and Local Government Code 113.022 and 140.003(f)).

Those CSCD employees who have access to public funds are covered by a surety bond. The surety bond also covers those employees who maintain and administer public funds.

The CSCD does not maintain a change fund.

The CSCD does not maintain petty cash.

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.

NOTE 7 - CASH, COLLECTIONS, CHANGE FUND, PETTY CASH AND INVESTMENTS (CONT.)

B. INVESTMENTS (CONT.)

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.

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 during the year ended August 31, 2019.

NOTE 8 – EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIUDAL PROGRAMS

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

NOTE 9 – FUNDS COLLECTED BY THE CSCD FROM SOURCES OTHER THAN TDCJ-CJAD WHICH ARE REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS

Source	Amount Received	Restrictions for Use	Expended In Accordance With Restriction
Community Supervision Fees	$ 804,591	Texas Code of Criminal Procedure Art. 42A.652 (a); FMM for TDCJ-CJAD Funding restrictions.	Yes
Payments by Program Participants:			
Pretrial Intervention Supervision Fees	$ 65,625	Texas Code of Criminal Procedure Chapter 102.012; FMM for TDCJ-CJAD Funding restrictions.	Yes
Pre-Sentence Investigation Fee	14,674	FMM for TDCJ-CJAD Funding restrictions; Texas Code of Criminal Procedure Article 42A.651(a)	Yes
Class Fees	14,790	FMM for TDCJ-CJAD Funding restrictions; Texas Code of Criminal Procedure Article 42A.651(a)	Yes
UA Fees	0	FMM for TDCJ-CJAD Funding restrictions; Texas Code of Criminal Procedure Article 42A.651(a)	Yes
DWI Program Fees	13,025	FMM for TDCJ-CJAD Funding restrictions; Texas Code of Criminal Procedure Article 42A.651(a)	Yes
Drug Patch and Hair Analysis	14,373	FMM for TDCJ-CJAD Funding restrictions; Texas Code of Criminal Procedure Article 42A.651(a)	Yes
Victim Impact Panel Fee	1,020	FMM for TDCJ-CJAD Funding restrictions; Texas Code of Criminal Procedure Article 42A.651(a)	Yes
Deep Lung Monitoring	0	FMM for TDCJ-CJAD Funding restrictions; Texas Code of Criminal Procedure Article 42A.651(a)	Yes
Probation Fine Fee	0	FMM for TDCJ-CJAD Funding restrictions; Texas Code of Criminal Procedure Article 42A.651(a)	Yes
Total Payments by Program Participan	$ 123,507	Government Code, Sec 76.015; Sec. 19, Art. 42.12 Code of Criminal Procedures FMM for TDCJ-CAD Funding restrictions; Texas Code of Criminal Procedure Article 42A.651(a)	
Interest Income	$ 3,796	FMM for TDCJ-CJAD Funding restrictions.	Yes
Other Revenue:			
Health & Human Services Commission: Restitution Fraud Collection Fees	$ 131	Financial Management Manual for TDCJ-CJAD Funding restrictions.	Yes
Total Other Revenue	$ 131		Yes

NOTE 10 – 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 11 – SUSBEQUENT EVENTS

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

NOTE 12 – OTHER

Management is not aware of any other items that 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-CJAD
BASIC SUPERVISION
FOR THE YEAR ENDED AUGUST 31, 2021

	Audit	Per CSCD Quarterly Report	Differences
REVENUES			
State Aid	$ 386,993	$ 386,993	$ -
Community Supervision Fees	804,591	804,591	-
Payments by Program Participants	123,507	123,507	-
Interest Income	3,796	3,796	-
Other Revenues	131	131	-
TOTAL REVENUES	1,319,018	1,319,018	-
EXPENDITURES			
Salaries & Fringe Benefits	1,047,748	1,047,748	-
Travel & Furnished Transportation	5,531	5,531	-
Contract Services for Offenders	7,992	7,992	-
Professional Fees	4,363	4,363	-
Supplies & Operating Expenses	29,093	29,093	-
Utilities	789	789	-
Equipment	4,245	4,245	-
TOTAL EXPENDITURES	1,099,761	1,099,761	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	219,257	219,257	-
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	(11,604)	(11,604)	-
TOTAL OTHER FINANCING SOURCES (USES)	(11,604)	(11,604)	-
Prior Year Ending Fund Balance	662,682	662,682	-
Audited Year Ending Fund Balance	$ 870,335	$ 870,335	$ -

GUADALUPE COUNTY
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CJAD
COMMUNITY CORRECTIONS
COMMUNITY SERVICES RESTITUTION
FOR THE YEAR ENDED AUGUST 31, 2021

	Audit	Per CSCD Quarterly Report	Differences
REVENUES			
State Aid	$ 85,404	$ 85,404	$ -
TOTAL REVENUES	85,404	85,404	-
EXPENDITURES			
Salaries & Fringe Benefits	40,753	40,753	-
Travel & Furnished Transportation	440	440	-
Professional Fees	5,124	5,124	-
Supplies & Operating Expenditures	1,585	1,585	-
Equipment	697	697	-
TOTAL EXPENDITURES	48,599	48,599	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,805	36,805	-
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	2,511	2,511	-
CC Interfund Transfer to DP	(1,607)	(1,607)	-
TOTAL OTHER FINANCING SOURCES (USES)	904	904	-
PRIOR YEAR ENDING FUND BALANCE	-	-	-
Refund Due to TDCJ-CJAD	(37,709)	(37,709)	-
Adjusted Beginning Fund Balance	(37,709)	(37,709)	-
AUDITED YEAR ENDING FUND BALANCE	$ -	$ -	$ -

GUADALUPE COUNTY
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CJAD
COMMUNITY CORRECTIONS
FIELD INTENSIVE/HIGH RISK SPECIALIZED CASELOAD
FOR THE YEAR ENDED AUGUST 31, 2021

	Audit	Per CSCD Quarterly Report	Differences
REVENUES			
State Aid	$ 76,462	$ 76,462	$ -
TOTAL REVENUES	76,462	76,462	-
EXPENDITURES			
Salaries & Fringe Benefits	60,063	60,063	-
Professional Fees	573	573	-
TOTAL EXPENDITURES	60,636	60,636	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,826	15,826	-
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	2,911	2,911	-
TOTAL OTHER FINANCING SOURCES (USES)	2,911	2,911	-
PRIOR YEAR ENDING FUND BALANCE	-	-	-
Refund Due to TDCJ-CJAD	(18,737)	(18,737)	-
Adjusted Beginning Fund Balance	(18,737)	(18,737)	-
AUDITED YEAR ENDING FUND BALANCE	$ -	$ -	$ -

GUADALUPE COUNTY
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CJAD
COMMUNITY CORRECTIONS
SEX OFFENDER SPECIALIZED CASELOAD
FOR THE YEAR ENDED AUGUST 31, 2021

	Audit	Per CSCD Quarterly Report	Differences
REVENUES			
State Aid	$ 65,218	$ 65,218	$ -
TOTAL REVENUES	65,218	65,218	-
EXPENDITURES			
Salaries & Fringe Benefits	52,521	52,521	-
Professional Fees	489	489	-
TOTAL EXPENDITURES	53,010	53,010	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,208	12,208	-
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	3,091	3,091	-
CC Interfund Transfer to DP	(15,299)	(15,299)	-
TOTAL OTHER FINANCING SOURCES (USES)	(12,208)	(12,208)	-
PRIOR YEAR ENDING FUND BALANCE	-	-	-
Refund Due to TDCJ-CJAD	-	-	-
Adjusted Beginning Fund Balance	-	-	-
AUDITED YEAR ENDING FUND BALANCE	$ -	$ -	$ -

GUADALUPE COUNTY
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CJAD
DIVERSION PROGRAM
ASSESSMENT UNIT
FOR THE YEAR ENDED AUGUST 31, 2021

	Audit	Per CSCD Quarterly Report	Differences
REVENUES			
State Aid	$ 20,000	$ 20,000	$ -
TOTAL REVENUES	20,000	20,000	-
EXPENDITURES			
Contract Services for Offenders	23,920	23,920	-
Professional Fees	150	150	-
TOTAL EXPENDITURES	24,070	24,070	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,070)	(4,070)	-
PRIOR YEAR ENDING FUND BALANCE	4,170	4,170	-
Refund Due to TDCJ-CJAD	(100)	(100)	-
Adjusted Beginning Fund Balance	4,070	4,070	-
AUDITED YEAR ENDING FUND BALANCE	$ -	$ -	$ -

GUADALUPE COUNTY
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CJAD
DIVERSION PROGRAM
HIGH RISK SUBSTANCE ABUSE SPECIALIZED CASELOAD
FOR THE YEAR ENDED AUGUST 31, 2019

	Audit	Per CSCD Quarterly Report	Differences
REVENUES			
State Aid	$ 40,010	$ 40,010	$ -
TOTAL REVENUES	40,010	40,010	-
EXPENDITURES			
Salaries & Fringe Benefits	59,380	59,380	-
Professional Fees	300	300	-
TOTAL EXPENDITURES	59,680	59,680	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,670)	(19,670)	-
OTHER FINANCING SOURCES (USES)			
Basic Supervision Interfund Transfer	3,091	3,091	
CCP Interfund Transfer	16,579	16,579	-
TOTAL OTHER FINANCING SOURCES (USES)	19,670	19,670	-
PRIOR YEAR ENDING FUND BALANCE	-	-	-
AUDITED YEAR ENDING FUND BALANCE	$ -	$ -	$ -

GUADALUPE COUNTY
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CJAD
DIVERSION PROGRAM
MENTAL HEALTH INITATIVE
FOR THE YEAR ENDED AUGUST 31, 2021

	Audit	Per CSCD Quarterly Report	Differences
REVENUES			
State Aid	$ 65,000	$ 65,000	$ -
TOTAL REVENUES	65,000	65,000	-
EXPENDITURES			
Salaries & Fringe Benefits	64,839	64,839	-
Professional Fees	488	488	-
TOTAL EXPENDITURES	65,327	65,327	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(327)	(327)	-
OTHER FINANCING SOURCES (USES)	-	-	-
CCP Interfund Transfer	327	327	-
TOTAL OTHER FINANCING SOURCES (USES)	327	327	-
PRIOR YEAR ENDING FUND BALANCE	-	-	-
AUDITED YEAR ENDING FUND BALANCE	$ -	$ -	$ -

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 as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise Guadalupe County Community Supervision and Corrections Department's basic financial statements, and have issued our report thereon dated February 11, 2022.

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 *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Respectfully submitted,

Armstrong, Vaughan & Associates, P.C.

February 11, 2022

REPORTABLE CONDITION: None.

REPORTABLE CONDITION: None.

There were no findings or questioned costs in the prior year. However, an audit of the Community Supervision and Corrections Department Grant funds of Guadalupe County was not performed in the prior year as the Department received an exemption from TDCJ-CJAD.

GUADALUPE COUNTY
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT
TDCJ – CJAD COMPLIANCE CHECKLIST
AUGUST 31, 2021

YES NO N/A

FINANCIAL POLICIES AND PROCEDURES *(Questions 1-2)*
An explanation is required *to be reported in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs if questions 1 and 2 are answered* ***NO****.*

Duties of the Fiscal Officer, FMM Fiscal Officer, Texas Government Code, Section 76.004 *(Question 1)*

Texas Government Code, Section 76.004, effective September 1, 2001 allows the judge(s) as described by Government Code section 76.002 the option to appoint a fiscal officer, other than the county auditor, to be responsible for the following: Managing and protecting funds, fees, state aid, and receipts to the same extent that a county auditor manages county funds and funds of other local entities; Ensuring that financial transactions of the department are lawful and allowable; and Prescribing accounting procedures for the department.

1. _X_ ___ Did the fiscal officer follow the applicable laws, guidelines, and duties as specified on Fiscal Officer section of the Financial Management Manual for TDCJ-CJAD Funding?

Cash Matching for Grants; FMM Grants, Donations, Fees *(Question 2)*

With prior TDCJ-CJAD approval, CSCDs may use Basic Supervision, CC, DP, or TAIP funds as required cash matching for grants from other governmental agencies, non-profit organizations, or private foundations, etc., for the purpose of expanding an existing program (CC, DP, or TAIP cash matching) or for funding an accepted Strategic Plan program (Basic Supervision or CC cash matching). All expenditures from the CSCD's matching funds shall be in accordance with the Financial Management Manual for TDCJ-CJAD Funding (see the Allowable and Unallowable Expenditures section of this manual).

2. ___ ___ X Was cash matching properly: authorized, budgeted, and expended?

FINANCIAL STATEMENTS *(Questions 3-9)*

An explanation is required *in the corresponding note of the Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs if questions 3, 5, 7, and 9 are answered* ***NO****. All sources identified in questions 4, 6, & 8-9 are required to be reported on their designated line item of the audited financial statements and in their corresponding note. See note for further instructions.*

3. _X_ ___ Were expenditures and revenues supported by adequate documentation?

Interfund Transfers; FMM Financial Reports, Additional Reporting Requirements *(Questions 4-5)*

CSCDs cannot end a fiscal year with a negative fund balance in any program. Any negative fund balances in CC, DP, or TAIP must be covered by an interfund transfer from Basic Supervision.
Basic Supervision can transfer funds to CC, DP, and TAIP. CC can transfer funds to DP and TAIP. Basic Supervision cannot receive funds from any programs unless those programs are returning funds they received from Basic earlier in the fiscal year. Transfers from DP and TAIP can only go to CC if returning funds received from CC earlier in the fiscal year. Transfers between CCs are not allowed; they should be done by increasing/decreasing state aid. Apart from returning unused funds, transfers cannot come from DP (even to/from another DP program) unless approved by the TDCJ-CJAD Division Director.

4. _X_ ___ Did the CSCD have any interfund transfers and/or DP fund transfers in the fiscal year audited?

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

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

Government Code, Chapter 509, Section 509.011 (h), allows CSCDs to deobligate any unencumbered state funds held by the department during a fiscal year (Basic Supervision, CC, DP, and TAIP). Deobligations are a reduction to state aid for funds that are in excess of the amount needed to operate the programs for the remainder of the year and are not to be reported as a refund.

6.	___	_X_		In the fiscal year audited, did any deobligation of funds occur because of an excess of funds allocated to programs?
7.	__	__	X	Were the appropriate budget adjustments made for any reallocated funds?

Budget Variances, FMM Budgets *(Question 8)*

All budget variances identified in the budget variance statements are to be reported in the Budget Variances note of the notes to the financial statements, see note for further instructions. ***If any budget variances in excess of the 15% rule, they are required to be reported in the Schedule of Findings and Questioned Costs.***

Expenditure line-item differences over 15% of the last TDCJ-CJAD approved budget within each individual program for the fiscal year audited.

8.	___	_X_		Were any unfavorable budget variances in excess of the 15% rule identified in the Individual Statement of Revenues, Budget, Actual, and Variance for the fiscal year audited?

Prior Period Adjustments, FMM Financial Reports, Additional Reporting Requirements *(Question 9)*

Adjustment to beginning fund balance because of corrections and/or reporting adjustments to the general ledger of prior fiscal years, **not prior quarters of the current fiscal year**. This amount does not include prior-year refunds.

9.	___	___	X_	If the CSCD had any **prior period adjustments** resulting from accounting corrections or reporting adjustments to the general ledger for the prior fiscal year(s), were they properly reported as prior period adjustments on the quarterly financial report in the corresponding quarter during which they were identified?

BASIS OF ACCOUNTING *(Questions 10-12)*

An explanation is required *in the Basis of Accounting portion of the Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs if questions 10-12 are answered* ***NO****.*

Basis of Accounting Requirements, FMM Fiscal Officer, Duties of the Fiscal Officer and Financial Reports *(Questions 10-12)*

FMM, Fiscal Officer, Duties of the Fiscal Officers: Managing and protecting funds, fees, state aid, and other receipts of money. Each program is to be maintained utilizing a separate self-balancing set of financial books and accounting records in accordance with proper fund accounting.

FMM Financial Reports, Basis of Accounting**:** Although funding recipients are encouraged to use the modified accrual basis of accounting for each quarter, the first, second, and third quarter reports may be prepared on the cash basis method of accounting. The fourth quarter report, which closes out the fiscal year, must be prepared on the modified accrual basis of

accounting.

For the funding recipient to report an accrual, as of August 31 on the fourth quarter report, TDCJ-CJAD requires that the expenditures be paid, and the item received by October 31.

10.	_X_	___	Was separate accountability maintained for TDCJ-CJAD funds, i.e., fund accounting of self-balancing funds?
11.	_X_	___	Was the modified accrual basis of accounting used in preparing the fourth quarter reports for submission to TDCJ-CJAD?
12.	_X_	___	Were proper cutoff procedures observed at the end of each fiscal period? *The cutoff date for revenues recognition and expenditures payments of the fiscal year audited is* ***October 31, of the fiscal year audited.***

FUNDS COLLECTED FROM SOURCES OTHER THAN TDCJ-CJAD REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS *(Questions 13-22)*

An explanation is required *in the Funds Collected from Sources Other Than TDCJ-CJAD Which are Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports note of the Notes to Financial Statements and in the Schedule of Findings and Questioned Costs, if questions 13-14, or 22, are answered* ***NO*** *or 16-17, or 20-21 answered* ***YES****.*

If any of the fees identified in questions 15, 18, and 19 were collected, they ***are required*** *to be reported in the Funds Collected from Sources Other Than TDCJ-CJAD Which are Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports note of the Notes to Financial Statements.*

13.	_X_	___	Were TDCJ-CJAD funds and locally generated revenues expended in accordance with the Financial Management Manual for TDCJ-CJAD funding (FMM), TDCJ-CJAD Standards, TDCJ-CJAD field correspondence, TDCJ-CJAD Policy Statements, Special Grant Conditions, and applicable laws?
14.	_X_	___	Were locally generated funds, and other collections, documented with a proper receipt system, and can they be traced to probationers' accounts, bank deposits, and statements?

Administrative Fees, Texas Government Code Section 76.015c**,** FMM Statutory Requirements *(Questions 15-17)*

Government Code Chapter 76 Community Supervision and Corrections Departments Section 76.015c states: A department may assess a reasonable administrative fee of not less than $25 and not more than $60 per month on an individual who participates in a program operated by the department or receives services from the department and who is not paying a monthly fee under Article 42A.652, Code of Criminal Procedure (i.e. Community Supervision Fees).

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

Fees for Pretrial Intervention Programs; Texas Code of Criminal Procedure Chapter 102.012, FMM Statutory

Requirements *(Question 18)*

Code of Criminal Procedure Chapter 102 Subchapter A General Costs Article 102.012, Fees for Pretrial Intervention Program states: (a) A court that authorizes a defendant to participate in a pretrial intervention program established under Section 76.011, Government Code, may order the defendant to pay to the court a supervision fee in an amount not more than $60 per month as a condition of participating in the program. (b) In addition to or in lieu of the supervision fee authorized by Subsection (a), the court may order the defendant to pay or reimburse a community supervision and corrections department for any other expense that is: (1) incurred as a result of the defendant's participation in the pretrial intervention program, other than an expense described by Article 102.0121; or (2) necessary to the defendant's successful completion of the program.

18.	___	_X_		Did the CSCD collect fees for **pretrial intervention programs** in the fiscal year audited?

Administrative Fee (i.e., Transaction Administrative Fee); Texas Code of Criminal Procedure, Article 102.072, FMM Statutory Requirements *(Questions 19-22)*

Texas Code of Criminal Procedure, Article 102.072; Administrative Fee states: An officer listed in Article 103.003 or a community supervision and corrections department may assess an administrative fee for each transaction made by the officer or department relating to the collection of fines, fees, restitution, or other costs imposed by a court. The fee may not exceed $2 for each transaction. This article does not apply to a transaction relating to the collection of child support. A "transaction" is defined as an event that involves the collection of money for one or more purposes that results in a preparation of a single receipt. CSCDs shall not prepare separate receipts for money received during a single event for multiple purposes (i.e. to collect multiple $2 administrative fees).

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

19.	___	_X_		Did the CSCD collect **administrative fees** (i.e. **transaction administrative** fees) for each transaction made by the department relating to the collection of fines, fees, restitutions, or other costs imposed by a court during the fiscal year audited?
20.	___	___	X_	If collected, did any single **transaction administrative** fee exceed the allowable $2?
21.	___	___	_X	If collected, during each transaction, does the CSCD issue separate receipts for each fine, fee, restitution, or other cost paid while charging the $2 **transaction administrative fee** for each receipt?
22.	___	___	X_	If collected, was the **transaction administrative fee** budgeted and recorded as Other Revenue in Basic Supervision and accounted for on a consistent basis (FMM Statutory Requirements)?

CASH, COLLECTIONS, CHANGE FUND, PETTY CASH *(Questions 23-26)*

An explanation is required *to be reported in the Cash, Collections, Change Fund, Petty Cash & Investments note of the Notes to the Financial Statements and included in the Schedule of Findings and Questioned* Costs *if questions 23-26, 28, 32-33, and 34 are answered* ***NO****. All change fund and petty cash funds are required to be reported in the Cash, Collections, Change Fund, and Petty Cash & Investments note of the Notes to the Financial Statements.*

Deposits and Disbursement Requirements, *(Questions 23-26)*

Government Code, Section 509.011 (c) Each department, county, or municipality shall deposit all state aid received from the division in a special fund of the county treasury or municipal treasury, as appropriate, to be used solely for the provision of services, programs, and facilities under this chapter or Subchapter H, Chapter 351, Local Government Code.

Local Government Code, Section 140.003 (f) Each specialized local entity (CSCD) shall deposit in the county treasury of the county in which the entity has jurisdiction the funds the entity receives. The county shall hold, deposit, disburse, invest, and otherwise care for the funds on behalf of the specialized local entity (CSCD) as the entity (CSCD) directs. If a specialized

local entity has jurisdiction in more than one county, the district judges having jurisdiction in those counties, by a majority vote, shall designate from among those counties the county responsible for managing the entity's funds.

Local Government Code, Section 113.022 (a) A county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received. However, in a county with fewer than 50,000 inhabitants, the commissioner's court may extend the period during which funds must be deposited with the county treasurer, but the period may not exceed 15 days after the date the funds are received. (b) A county treasurer shall deposit the money received under Subsection (a) in the county depository in accordance with Section 116.113(a). In all cases, the treasurer shall deposit the money on or before the seventh business day after the date the treasurer receives the money.

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

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

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

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

Change Fund, Local Government Code, Chapter 130, Section 130.902 (a), FMM Fiscal Change Fund *(Questions 27-28)*

Local Government Code, Chapter 130, Section 130.902 (a) The commissioner's court of a county may set aside from the general fund of the county an amount approved by the county auditor for use as a change fund by any county or district official who collects public funds. The fund may be used only to make change in connection with collections that are due and payable to the county, the state, or another political subdivision of the state that are often made by the official. (b) The bond of that official who receives such a change fund must cover the official's responsibility for the correct accounting and disposition of the change fund.

27.	___	_X_	Did the CSCD maintain a **change fund** authorized by the fiscal officer in the fiscal year audited? Change Funds are not to be confused with petty cash funds *(FMM Fiscal Officer).*

28.	___	___	X_	Was the **change fund *only*** used to make change in connection with collections that are due and payable to the CSCD?

Petty Cash Utilizing CSCD Funds, Local Government Code, Section 130.909, FMM Petty Cash *(Questions 29-33)*

Local Government Code, Section 130.909. (a) The commissioner's court of a county may set aside from the general fund of the county, for the establishment of a petty cash fund for any county or district official or department head approved by the commissioner's court, an amount approved by: (1) the county auditor, for a county with a population of 3.3 million or more; or (2) the commissioner's court, for a county with a population of less than 3.3 million. (FMM, State Payments, Financial Reports, Community Corrections Facility and Fiscal Officer)

29.	___	_X_	Did the CSCD maintain **petty cash** in the fiscal year audited?
30.	___	___	_X	Was the petty cash fund maintained by **utilizing the CSCD's funds** authorized by the county auditor?
31.	___	___	X	Was the petty cash fund maintained by **utilizing NON-CSCD revenues** (i.e. vending machine revenues)?
32.	___	___	X	Were **petty cash funds utilizing CSCD's funds** used only for specific purposes for allowable items as listed in the Financial Management Manual for TDCJ-CJAD Funding?
33.	___	___	X	Were **petty cash funds utilizing CSCD's funds** expended only for emergency situations authorized by a written policy and approved by the CSCD director?

Employee Surety Bond Coverage, FMM Employee Surety Bond Coverage *(Question 34)*

CSCD directors shall ensure that all public funds are protected by requiring that all employees with access to funds are covered by Employee Surety Bond coverage and that all funds maintained on CSCD premises are protected by appropriate insurance or bonding. Funds on CSCD premises shall not exceed insurance/bond limits of coverage. CSCDs that have been authorized to have a change fund shall have Employee Surety Bond coverage on the employee who maintains and administers the change fund or petty cash fund, and the coverage shall include the employee's responsibility for the correct accounting and disposition of the change fund or petty cash fund.

34.	X	___	Were all employees who had access to public funds and/or maintained and administered public funds, change funds and petty cash, which cover the employees' responsibility for the correct accounting and disposition of the change fund and petty cash, covered by an employee surety bond?

SCHEDULE OF DIFFERENCES *(Question 35)*

An explanation is required *to be reported in the Schedule of Differences, Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs if questions 35 is answered* ***NO****.*

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

COMPLIANCE AND OTHER MATTERS; Standards for Financial Audits; Chapter 4, Item 4.25 Government Auditing Standards *(Questions 36-40)*

An explanation is required *to be reported in the Report on Compliance and Internal Control and in the Schedule of Findings and Questioned Costs If questions 36-40 are answered* ***YES****.*

36.	___	_X_	Were there any instances of deficiencies in internal control noted by the auditor?
37.	___	_X_	Were there any instances of non-compliance noted by the auditor?
38.	___	_X_	Were there any instances of fraud noted by the auditor?
39.	___	_X_	Were there any instances of waste noted by the auditor?
40.	___	_X_	Were there any instances of abuse noted by the auditor?

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Standards for Financial Audits; Chapter 4, Item 4.05, Government Auditing Standards *(Questions 41-42)*

An explanation is required *to be reported in Schedule of Findings and Questioned Costs for Prior Year if questions 41-42 are answered* ***NO****.*

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

GUADALUPE COUNTY

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