CAMERON-WILLACY COUNTIES
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT

FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS

August 31, 2014

CAMERON-WILLACY COUNTIES
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

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CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

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INDEPENDENT AUDITOR'S REPORT

Cameron-Willacy Counties Community
Supervision and Corrections Department
Cameron-Willacy Counties, Texas
Report on the Financial Statements

We have audited the accompanying financial statements of the Cameron-Willacy Counties Community Supervision and Corrections Department (CSCD), which comprise the combined statement financial position as of August 31, 2014, and related combined statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 11, 2015.

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 error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted out audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Cameron-Willacy Counties Community Supervision and Corrections Department, as of August 31, 2014 and the respective changes in financial position

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and cash flows thereof for the year ended, in accordance with the financial reporting provisions of the TDCJ-CJAD as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions of the TDCJ-CJAD, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the TDCJ-CJAD. Our opinion is not modified with respect to that matter.

Emphasis of Matter

As discussed in Note 1, the financial statements present the operations of the Cameron-Willacy Counties Community Supervision and Corrections Department only, and are not intended to present fairly the financial position of Cameron-Willacy 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 Cameron-Willacy Counties 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 schedule of differences between audit report and CSCD reports sent 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 o the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 11, 2015, on our consideration of the Cameron-Willacy Counties Community Supervision and Corrections Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Cameron-Willacy Counties' Community Supervision and Corrections Department's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of the management of Cameron-Willacy Counties 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.

Long Chilton LLP

Brownsville, Texas
February 11, 2015

FINANCIAL STATEMENTS

CAMERON-WILLACY COUNTIES
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

COMBINED STATEMENT OF FINANCIAL POSITION

August 31, 2014

	Basic Supervision	Community Corrections	Diversion Programs
ASSETS			
Cash and Investments			
Bank Balances	$ 981,657	$ 54,557	$ 154,960
Petty Cash	350	-	300
Time Deposits	986,830	-	-
Total Cash and Investments	1,968,837	54,557	155,260
Accounts Receivable			
Community Supervision Fees	60,419	-	-
Due From TDCJ-CJAD	-	-	-
Due From Other Funds	34,923	-	31,864
Other	11,105	22	130
Total Accounts Receivable	106,447	22	31,994
Prepaid Expenses	925	-	-
Total Assets	$ 2,076,209	$ 54,579	$ 187,254
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	$ 143,631	$ 17,258	$ 97,413
Due to Other Funds	31,864	32,531	-
Due to Primary Government	-	-	-
Due to TDCJ-CJAD	-	-	-
Other	-		-
Total Liabilities	175,495	49,789	97,413
Fund Balance	1,900,714	4,790	89,841
Total Liabilities and Fund Balance	$ 2,076,209	$ 54,579	$ 187,254

See Notes to Financial Statements.

TAIP	Restitution Collections and Other	Total
$ 1,395	$ 184,917	$ 1,377,486
-	-	650
-	-	986,830
1,395	184,917	2,364,966
-	-	60,419
-	-	-
-	-	66,787
2,501	-	13,758
2,501	-	140,964
-	-	925
$ 3,896	$ 184,917	$ 2,506,855

$ 1,504	$ 184,917	$ 444,723
2,392	-	66,787
-	-	-
-	-	-
-	-	-
3,896	184,917	511,510
-	-	1,995,345
$ 3,896	$ 184,917	$ 2,506,855

CAMERON-WILLACY COUNTIES
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended August 31, 2014

	Basic Supervision	Community Corrections	Diversion Programs
REVENUE			
State aid	$ 2,106,746	$ 754,094	$ 1,600,115
State aid - SAFPF	22,602	-	-
Community supervision fees	2,801,664	-	-
Payment by program participants	795,508	-	-
Interest income	6,757	-	-
Other revenue	84,761	-	7,115
Total Revenue	5,818,038	754,094	1,607,230
EXPENDITURES			
Salaries and fringe benefits	4,958,126	743,649	1,149,726
Travel and furnished transportation	88,343	-	92,213
Contract services for offenders	42,825	-	2,975
Professional fees	141,821	5,655	15,875
Supplies and operating expenditures	174,280	-	126,162
Facilities	-	-	34,250
Utilities	42,961	-	50,059
Equipment	102,167	-	50,566
Total Expenditures	5,550,523	749,304	1,521,826
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	267,515	4,790	85,404
FUND BALANCE 9/1/2013	1,821,923	-	-
Prior period adjustment	148	-	-
Interfund Transfer In (Out)	(25,858)	-	4,437
Fund balance before refund to TDCJ-CJAD	2,063,728	4,790	89,841
Refund due to TDCJ-CJAD	(163,014)	-	-
FUND BALANCE 8/31/2014	$ 1,900,714	$ 4,790	$ 89,841

See Notes to Financial Statements.

TAIP	Restitution Collections and Other	Total
$ 44,055	$ -	$ 4,505,010
-	-	22,602
-	-	2,801,664
-	-	795,508
-	-	6,757
-	-	91,876
44,055	-	8,223,417
65,146	-	6,916,647
-	-	180,556
-	-	45,800
330	-	163,681
-	-	300,442
-	-	34,250
-	-	93,020
-	-	152,733
65,476	-	7,887,129
(21,421)	-	336,288
-	-	1,821,923
-	-	148
21,421	-	-
-	-	2,158,359
-	-	(163,014)
$ -	$ -	$ 1,995,345

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CAMERON-WILLACY COUNTIES
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

ALL COMMUNITY CORRECTIONS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended August 31, 2014

	Substance Abuse Specialized Caseloads	Pre-Sentence Investigation Program	Community Service Restitution Program	Total
REVENUE				
State Aid	$ 106,837	$ 606,137	$ 41,120	$ 754,094
State Aid: SAFPF	-	-	-	-
Probation Fees	-	-	-	-
Payment by Program Participants	-	-	-	-
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
Total Revenue	106,837	606,137	41,120	754,094
EXPENDITURES				
Salaries and Fringe Benefits	104,253	599,079	40,317	743,649
Travel and Furnished Transportation	-	-	-	-
Contract Services for Offenders	-	-	-	-
Professional Fees	801	4,546	308	5,655
Supplies and Operating Expenditures	-	-	-	-
Facilities	-	-	-	-
Utilities	-	-	-	-
Equipment	-	-	-	-
Total Expenditures	105,054	603,625	40,625	749,304
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	1,783	2,512	495	4,790
Fund Balance 9/1/2013	-	-	-	-
Prior Period Adjustment	-	-	-	-
Interfund Transfer In (Out)	-	-	-	-
Fund balance Before Refund to TDCJ-CJAD	1,783	2,512	495	4,790
Refund due to TDCJ-CJAD	-	-	-	-
FUND BALANCE 8/31/2014	$ 1,783	$ 2,512	$ 495	$ 4,790

See Notes to Financial Statements.

CAMERON-WILLACY COUNTIES
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

ALL DIVERSION PROGRAM FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended August 31, 2014

	Surveillance Probation Program	Court Residential Treatment Center
REVENUE		
State Aid	$ 89,067	$ 1,354,770
State Aid: SAFPF	-	-
Probation Fees	-	-
Payment by Program Participants	-	-
Interest Income	-	7,115
Other Revenue	89,067	1,361,885
Total Revenue		
EXPENDITURES	90,782	906,127
Salaries and Fringe Benefits	818	89,706
Travel and Furnished Transportation	-	2,975
Contract Services for Offenders	668	14,035
Professional Fees	-	126,162
Supplies and Operating Expenditures	-	34,250
Facilities	-	49,349
Utilities	-	50,566
Equipment	92,268	1,273,170
Total Expenditures		
	(3,201)	88,715
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES		
	-	-
Fund Balance 9/1/2013	-	-
Prior Period Adjustment	3,201	-
Interfund Transfer In (Out)	-	88,715
Fund balance Before Refund to TDCJ-CJAD	-	-
Refund due to TDCJ-CJAD	$ -	$ 88,715
FUND BALANCE 8/31/2014		

See Notes to Financial Statements.

Mentally Impaired Caseload Program	Court Residential Treatment Center Aftercare Caseload	Total
$ 96,278	$ 60,000	$ 1,600,115
-	-	-
-	-	-
-	-	-
-	-	7,115
96,278	60,000	1,607,230
95,259	57,558	1,149,726
823	866	92,213
-	-	2,975
722	450	15,875
-	-	126,162
-	-	34,250
710	-	50,059
-	-	50,566
97,514	58,874	1,521,826
(1,236)	1,126	85,404
-	-	-
-	-	-
1,236	-	4,437
-	1,126	89,841
-	-	-
$ -	$ 1,126	$ 89,841

CAMERON-WILLACY COUNTIES
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

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

BASIC SUPERVISION PROGRAM

For the Year Ended August 31, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State Aid	$ 2,106,746	$ 2,106,746	$ -
State Aid - SAFPF	25,000	22,602	(2,398)
Probation Fees	2,800,000	2,801,664	1,664
Payments by Program Participants	760,000	795,508	35,508
Interest Income	15,000	6,757	(8,243)
Other Revenue	60,000	84,761	24,761
Total Revenue	5,766,746	5,818,038	51,292
EXPENDITURES			
Salaries and Fringe Benefits	5,548,261	4,958,126	590,135
Travel and Furnished Transportation	136,700	88,343	48,357
Contract Services for Offenders	64,400	42,825	21,575
Professional Fees	143,463	141,821	1,642
Supplies and Operating Expenditures	1,294,552	174,280	1,120,272
Facilities	-	-	-
Utilities	57,600	42,961	14,639
Equipment	106,424	102,167	4,257
Total Expenditures	7,351,400	5,550,523	1,800,877
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(1,584,654)	267,515	1,852,169
FUND BALANCE 9/1/2013	1,821,923	1,821,923	-
Prior Period Adjustment	-	148	148
Interfund Transfer In (Out)	(74,255)	(25,858)	48,397
Fund balance Before Refund to TDCJ-CJAD	163,014	2,063,728	1,900,714
Refund due to TDCJ-CJAD	(163,014)	(163,014)	-
FUND BALANCE 8/31/2014	$ -	$ 1,900,714	$ 1,900,714

See Notes to Financial Statements.

CAMERON-WILLACY COUNTIES
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

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

COMMUNITY CORRECTIONS PROGRAM
SUBSTANCE ABUSE SPECIALIZED CASELOADS

For the Year Ended August 31, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State aid	$ 106,837	$ 106,837	$ -
Payments by program participants	-	-	-
Interest income	-	-	-
Other revenue	-	-	-
Total Revenues	106,837	106,837	-
EXPENDITURES			
Salaries and fringe benefits	106,036	104,253	1,783
Travel and furnished transportation	-	-	-
Contract services for offenders	-	-	-
Professional fees	801	801	-
Supplies and operating expenditures	-	-	-
Facilities	-	-	-
Utilities	-	-	-
Equipment	-	-	-
Total Expenditures	106,837	105,054	1,783
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	1,783	1,783
FUND BALANCE 9/1/2013	-	-	-
Prior Period adjustment	-	-	-
Interfund Transfer In (Out)	-	-	-
Fund balance before refund to TDCJ-CJAD	-	1,783	1,783
Refund due to TDCJ-CJAD	-	-	-
FUND BALANCE 8/31/2014	$ -	$ 1,783	$ 1,783

See Notes to Financial Statements.

CAMERON-WILLACY COUNTIES
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

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

COMMUNITY CORRECTIONS PROGRAM
PRE-SENTENCE INVESTIGATION PROGRAM

For the Year Ended August 31, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State Aid	$ 606,137	$ 606,137	$ -
Payments by Program Participants	-	-	-
Interest Income	-	-	-
Other Revenue	-	-	-
Total Revenues	606,137	606,137	-
EXPENDITURES			
Salaries and Fringe Benefits	601,591	599,079	2,512
Travel and Furnished Transportation	-	-	-
Contract Services for Offenders	-	-	-
Professional Fees	4,546	4,546	-
Supplies and Operating Expenditures	-	-	-
Facilities	-	-	-
Utilities	-	-	-
Equipment	-	-	-
Total Expenditures	606,137	603,625	2,512
EXCESS REVENUES OVER (UNDER) EXPENDITURES	-	2,512	2,512
FUND BALANCE 9/1/2013	-	-	-
Prior Period Adjustment	-	-	-
Interfund Transfer In (Out)	-	-	-
Fund Balance Before Refund to TDCJ-CJAD	-	2,512	2,512
Refund due to TDCJ-CJAD	-	-	-
FUND BALANCE 8/31/2014	$ -	$ 2,512	$ 2,512

See Notes to Financial Statements.

CAMERON-WILLACY COUNTIES
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

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

DIVERSION TARGET PROGRAM
SURVEILLANCE PROBATION PROGRAM

For the Year Ended August 31, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State aid	$ 89,067	$ 89,067	$ -
Payments by program participants	-	-	-
Interest income	-	-	-
Other revenue	-	-	-
Total Revenues	89,067	89,067	-
EXPENDITURES			
Salaries and fringe benefits	93,964	90,782	3,182
Travel and furnished transportation	2,435	818	1,617
Contract services for offenders	-	-	-
Professional fees	668	668	-
Supplies and operating expenditures	-	-	-
Facilities	-	-	-
Utilities	-	-	-
Equipment	-	-	-
Total Expenditures	97,067	92,268	4,799
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(8,000)	(3,201)	4,799
FUND BALANCE 9/1/2013	-	-	-
Prior Period adjustment	-	-	-
Interfund Transfer In (Out)	8,000	3,201	(4,799)
Fund balance before refund to TDCJ-CJAD	-	-	-
Refund due to TDCJ-CJAD	-	-	-
FUND BALANCE 8/31/2014	$ -	$ -	$ -

See Notes to Financial Statements.

CAMERON-WILLACY COUNTIES
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

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

COMMUNITY CORRECTIONS PROGRAM
COMMUNITY SERVICE RESTITUTION PROGRAM

For the Year Ended August 31, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State aid	$ 41,120	$ 41,120	$ -
Payments by program participants	-	-	-
Interest income	-	-	-
Other revenue	-	-	-
Total Revenues	41,120	41,120	-
EXPENDITURES			
Salaries and fringe benefits	40,812	40,317	495
Travel and furnished transportation	-	-	-
Contract services for offenders	-	-	-
Professional fees	308	308	-
Supplies and operating expenditures	-	-	-
Facilities	-	-	-
Utilities	-	-	-
Equipment	-	-	-
Total Expenditures	41,120	40,625	495
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	495	495
FUND BALANCE 9/1/2013	-	-	-
Prior Period adjustment	-	-	-
Interfund Transfer In (Out)	-	-	-
Fund balance before refund to TDCJ-CJAD	-	495	495
Refund due to TDCJ-CJAD	-	-	-
FUND BALANCE 8/31/2014	$ -	$ 495	$ 495

See Notes to Financial Statements.

CAMERON-WILLACY COUNTIES
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

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

DIVERSION TARGET PROGRAM
COURT RESIDENTIAL TREATMENT CENTER

For the Year Ended August 31, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State aid	$ 1,354,770	$ 1,354,770	$ -
Payments by program participants	-	-	-
Interest income	-	-	-
Other revenue	7,000	7,115	115
Total Revenues	1,361,770	1,361,885	115
EXPENDITURES			
Salaries and fringe benefits	951,930	906,127	45,803
Travel and furnished transportation	104,286	89,706	14,580
Contract services for offenders	3,000	2,975	25
Professional fees	14,861	14,035	826
Supplies and operating expenditures	161,065	126,162	34,903
Facilities	38,000	34,250	3,750
Utilities	78,504	49,349	29,155
Equipment	52,235	50,566	1,669
Total Expenditures	1,403,881	1,273,170	130,711
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(42,111)	88,715	130,826
FUND BALANCE 9/1/2013	-	-	-
Prior Period adjustment	-	-	-
Interfund Transfer In (Out)	42,111	-	(42,111)
Fund balance before refund to TDCJ-CJAD	-	88,715	88,715
Refund due to TDCJ-CJAD	-	-	-
FUND BALANCE 8/31/2014	$ -	$ 88,715	$ 88,715

See Notes to Financial Statements.

CAMERON-WILLACY COUNTIES
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

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

DIVERSION TARGET PROGRAM
MENTALLY IMPAIRED CASELOAD PROGRAM

For the Year Ended August 31, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State Aid	$ 96,278	$ 96,278	$ -
Payments by Program Participants	-	-	-
Interest Income	-	-	-
Other Revenue	-	-	-
Total Revenues	96,278	96,278	-
EXPENDITURES			
Salaries and Fringe Benefits	95,304	95,259	45
Travel and Furnished Transportation	1,700	823	877
Contract Services for Offenders	-	-	-
Professional Fees	722	722	-
Supplies and Operating Expenditures	-	-	-
Facilities	-	-	-
Utilities	1,000	710	290
Equipment	-	-	-
Total Expenditures	98,726	97,514	1,212
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(2,448)	(1,236)	1,212
FUND BALANCE 9/1/2013	-	-	-
Prior Period Adjustment	-	-	-
Interfund Transfer In (Out)	2,448	1,236	(1,212)
Fund Balance Before Refund to TDCJ-CJAD	-	-	-
Refund due to TDCJ-CJAD	-	-	-
FUND BALANCE 8/31/2014	$ -	$ -	$ -

See Notes to Financial Statements.

CAMERON-WILLACY COUNTIES
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

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

DIVERSION TARGET PROGRAM
COURT RESIDENTIAL AFTERCARE CASELOAD

For the Year Ended August 31, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State Aid	$ 60,000	$ 60,000	$ -
Payments by Program Participants	-	-	-
Interest Income	-	-	-
Other Revenue	-	-	-
Total Revenues	60,000	60,000	-
EXPENDITURES			
Salaries and Fringe Benefits	57,884	57,558	326
Travel and Furnished Transportation	1,666	866	800
Contract Services for Offenders	-	-	-
Professional Fees	450	450	-
Supplies and Operating Expenditures	-	-	-
Facilities	-	-	-
Utilities	-	-	-
Equipment	-	-	-
Total Expenditures	60,000	58,874	1,126
EXCESS REVENUES OVER (UNDER) EXPENDITURES	-	1,126	1,126
FUND BALANCE 9/1/2013	-	-	-
Prior Period Adjustment	-	-	-
Interfund Transfer In (Out)	-	-	-
Fund Balance Before Refund to TDCJ-CJAD	-	1,126	1,126
Refund due to TDCJ-CJAD	-	-	-
FUND BALANCE 8/31/2014	$ -	$ 1,126	$ 1,126

See Notes to Financial Statements.

CAMERON-WILLACY COUNTIES
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

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

TREATMENT ALTERNATIVE TO INCARCERATION PROGRAM

For the Year Ended August 31, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State Aid	$ 44,055	$ 44,055	$ -
Payments by Program Participants	-	-	-
Interest Income	-	-	-
Other Revenue	-	-	-
Total Revenues	44,055	44,055	-
EXPENDITURES			
Salaries and Fringe Benefits	65,421	65,146	275
Travel and Furnished Transportation	-	-	-
Contract Services for Offenders	-	-	-
Professional Fees	330	330	-
Supplies and Operating Expenditures	-	-	-
Facilities	-	-	-
Utilities	-	-	-
Equipment	-	-	-
Total Expenditures	65,751	65,476	275
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(21,696)	(21,421)	275
FUND BALANCE 9/1/2013	-	-	-
Prior Period Adjustment	-	-	-
Interfund Transfer In (Out)	21,696	21,421	(275)
Fund Balance Before Refund to TDCJ-CJAD	-	-	-
Refund due to TDCJ-CJAD	-	-	-
FUND BALANCE 8/31/2014	$ -	$ -	$ -

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
August 31, 2014

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The accompanying financial statements include the revenue of the Cameron-Willacy Counties Community Supervision and Corrections Department (CSCD) related to the receipt of funds administered by the Community Justice Assistance Division of the Texas Department of Criminal Justice from State Appropriations for the Basic Supervision Fund, Community Corrections Program Funds, Diversion Program Grant Funds, Treatment Alternative of Incarceration Program Grant Funds, local fees collected for the use of the CSCD, and the expenditure of those funds.

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

Basis of Accounting

Since the Department receives funding from State government, it must comply with requirements of the State. Therefore, the financial statements were prepared using the basis of accounting prescribed by the TDCJ-CJAD, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Basis of accounting refers to the time at which revenues and expenditures are recognized in the accounts and reported in the statements. The accounts of Cameron-Willacy Counties CSCD are organized on the basis of fund accounting. Under fund accounting, each fund is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. Resources are allocated to and accounted for in a fund based upon the source of the funds and the purposes for which they may be spent and the means by which the spending activities are controlled. Revenues and expenditures are accounted for using either the cash basis of accounting or the modified accrual basis of accounting until the last quarter when the modified accrual basis of accounting must be used.

The modified accrual basis of accounting is followed in that revenues are recorded when susceptible to accrual; i.e., earned, measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues received by October 31, 2014 for financial activity performed by August 31, 2014, are considered available. Also, purchases for which the commitment has been established by August 31, 2014, are considered liabilities regardless of whether possession of these goods has been received by August 31, provided that the liability purchase is received and is paid by October 31, 2014. Exception of this method of accounting is the recording of refunds to the State as reductions of Fund Balance.

Note 1 – Summary of Significant Accounting Policies - Continued

Budgets

The budgets governing the funding to the programs are approved by the district judges appointed to oversee the department in an open meeting and by the Texas Department of Criminal Justice – Community Justice Assistance Division. Only budget adjustment requests, at year end, received by September 30, 2014 will be reviewed and approved/disapproved by TDCJ-CJAD. TDCJ-CJAD will not accept budget adjustments after September 30, 2014 for the previous fiscal year. Only budget adjustments approved by TDCJ-CJAD should be referred to in performing the financial audit.

Encumbrance Accounting

Encumbrance Accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized. All encumbrances not liquidated by October 31, 2014 become part of the subsequent year's budget.

Compensated Absences

An employee will only be compensated for 20 days of accrued vacation and any compensated time earned as of the last day with the Cameron-Willacy CSCD, per the Cameron-Willacy CSCD Internal Personnel Policy. The liability as of August 31, 2014 is $483,115; however, this liability is not reflected on the Combined Statement of Financial Position.

Note 2 – Funding Sources – State Aid

Basic Supervision Funds

The state funding is a per capita allocation based on statistics from the previous full calendar year. The per capita formula includes calendar year misdemeanor placements, direct felony and felony pre-trial cases. Funding is first allocated to misdemeanor placements for 182 days. The remaining funding is allocated to felons under direct community supervision and pre-trial supervision based on the CSCD's share of the state total population of direct and pre-trial felons. Basic Supervision is distributed only to CSCDs.

Community Corrections (CC) Program Funds

This appropriation line item is allocation based. The funding is based on two equally assigned factors: the percentage of the state's population residing in the counties served by the department and the percentage of all felony defendants in the state under direct community supervision by the department. CSCDs are the only entities eligible for CC funds.

Note 2 – Funding Sources – State Aid – Continued

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 TDCJ-CJAD staff, approved by management, and then presented to the Judicial Advisory Council. DP funds shall not be used for Basic Supervision services.

Substance Abuse Felony Punishment Facility (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 DP line item but is budgeted and reported by CSCDs as state aid under Basic Supervision.

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 of the 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 are 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 3 – Funds Collected by the CSCD from Sources other than TDCJ-CJAD which are Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports

Source	Amount Received	Restrictions for Use	Expended in Accordance With Restriction
Probation Fees	$ 2,801,664	FMM for TDCJ-CJAD Funding Restrictions	Yes
Pre-Trial Supervision Fees	550,423	FMM for TDCJ-CJAD Funding Restrictions	Yes
Local - PSI Fees	189,015	FMM for TDCJ-CJAD Funding Restrictions	Yes
Transaction Fees	61,580	FMM for TDCJ-CJAD Funding Restrictions	Yes
Drugs and Medication	19,544	FMM for TDCJ-CJAD Funding Restrictions	Yes
Electronic Monitoring	1,326	FMM for TDCJ-CJAD Funding Restrictions	Yes
Interest	6,757	FMM for TDCJ-CJAD Funding Restrictions	Yes
Application Fees	18,503	FMM for TDCJ-CJAD Funding Restrictions	Yes

Note 3 – Funds Collected by the CSCD from Sources other than TDCJ-CJAD which are Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports – Continued

Source	Amount Received	Restrictions for Use	Expended in Accordance With Restriction
HHSC	19,001	FMM for TDCJ-CJAD Funding Restrictions	Yes
Pay Phone Commission	588	FMM for TDCJ-CJAD Funding Restrictions	Yes
Drugs and Medication	133	FMM for TDCJ-CJAD Funding Restrictions	Yes
Contract Services	2,014	FMM for TDCJ-CJAD Funding Restrictions	Yes
Clothing	3,579	FMM for TDCJ-CJAD Funding Restrictions	Yes
Ignition Interlock Fees	16,697	FMM for TDCJ-CJAD Funding Restrictions	Yes
Long/Short	(120)	FMM for TDCJ-CJAD Funding Restrictions	Yes
VAV Film Fees	4,085	FMM for TDCJ-CJAD Funding Restrictions	Yes
Misc./5% of Unclaimed Restitution	216	FMM for TDCJ-CJAD Funding Restrictions	Yes
Misc./Washer & Dryer Commissioners - CRTC	801	FMM for TDCJ-CJAD Funding Restrictions	Yes
TOTAL	$ 3,695,806		

Note 4 – Funds Collected by the CSCD from Sources other than TDCJ-CJAD which are not Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports

Source	Amount Received	Restrictions for Use	Expended in Accordance With Restriction	Fund Balance at August 31, 2014
Victim Restitution Funds	$ 955,639	GC 76.013 Paid to Victim within certain timelines	Yes	$ 148,990
Crime Victim's Compensation Funds	25,107	Paid Directly to Agency within certain timelines	Yes	-
County Court Collections	399	Paid Directly to Agency within certain timelines	Yes	-
District Court Collections	187	Paid Directly to Agency within certain timelines	Yes	-
Attorney Fees - Willacy County	3,147	LGC Chapter 113, Section 113.022	Yes	-
Court Costs - Willacy County	12,746	LGC Chapter 113, Section 113.022	Yes	-
Fines - Willacy County	7,289	LGC Chapter 113, Section 113.022	Yes	-
Crimestoppers Fees	25,855	Paid Directly to Agency within certain timelines	Yes	-
Divert Court Fees	30,134	Paid Directly to Agency within certain timelines	Yes	-
PTD Admn. Fees - Willacy County	9,500	Paid Directly to Agency within certain timelines	Yes	-
Veteran's Court	4,306	Paid Directly to Agency within certain timelines	Yes	-
Overpayments/Refunds Due	428	Paid Directly to Individuals within certain timelines	Yes	-
Sex Offender Supervision Fee	6,179	Article 42.12 Section 19(f) of the TCOCP	Yes	-
TOTAL	$ 1,080,916			$ 148,990

Note 5 – Cash, Petty Cash and Investments

All of the Department's demand account deposits are in one financial institution and are carried at cost. Deposits are insured by federal depository insurance or collateralized with securities held by the entity or by its agent in the entity's name. The bank balances and carrying amounts for 2013 and 2014 are $2,040,923 and $1,377,486, respectively.

Cameron-Willacy Counties Community Supervision and Corrections Department manages petty cash in the amount of $50 per cashier processing payments, not to exceed $250 on a daily basis. These funds are mainly used for change and opening cash drawers. Office expenditures are processed through petty cash for emergencies only.

Investments with First Public, a State of Texas investment pool for municipal investments, are uncategorized and have a carrying value of $986,830. The Department follows the Investment of Cameron County, Texas as described in the following paragraph.

Investments are under the custody of the County Treasurer. Investing is performed in accordance with investment policies complying with State Statutes (Texas Government Code, Title 10, Chapter 2256 V.T.C.A. GOVT Sec. 2256, as amended by Act 1996, 74th Legislature, Chapter 402, Section 1, effective September 1, 1996.) This law requires the government entity to maintain safety of principal, maintenance of adequate liquidity, desired diversification to maximize rate of return with the previous considerations and have portfolio maturities structured to achieve the highest rate of return of interest consistent with liquidity requirements of cash needs. The County Investment Policy and Funds Strategy is consistent with this law and states that it will be the objective of Cameron County to earn the maximum rate of return on its investments within the policies imposed by its safety and liquidity objectives and state and federal law governing investment of public funds.

Custodial Credit Risk – In accordance with the County's investment policy, the County shall require monthly reports with market values of pledged securities from all financial institutions with which the County has collateralized deposits. The Investment Officer will monitor adequacy of collateralization levels to verify market values and total collateral positions.

Credit Risk – The County identifies and manages credit risk by following the Investment Policy. The Investment Officer implements its investment strategy, establishes and monitors compliance with investment policies and procedures and consistently monitors prudent risk controls. The County will seek to control its risk of loss by monitoring the ratings of portfolio positions to assure compliance with the rating requirements imposed by the Public Funds Act.

Note 5 – Cash, Petty Cash and Investments – Continued

The County specifically addresses credit risk in stating that all county funds are fully collateralized or insured consistent with federal and state law in one or more of the following manners:

- FDIC insurance coverage
- United States Government Bonds, Notes and Bills,
- Securities of federally sponsored U. S. Agencies and instrumentality's of the United States Government and/or obligations, including
- letters of credit, of the United States or its agencies and instrumentalities,
- No Collateralized Mortgage Obligations are acceptable.

Concentration of Credit Risk – In accordance with the Investment Policy, the County will manage its credit risk exposure through diversification and limiting its investments in each government-sponsored security to eliminate the risk of loss resulting from over concentration of liquid assets with a specific maturity, a specific issuer or a specific class of investments. Investment pools are limited to 60% of the total outstanding investment portfolio with the stipulation that no more than 35% can be held in any registered pool.

The Department has investments with Lone Star Investment Pool, managed by First Public, LLC, the State of Texas investment pool available to governmental entities. Lone Star is neither a registered investment pool with the SEC nor backed by pledged collateral, but the underlying investments are mutual funds, U.S. Treasury Bonds, T-bills, government agency securities and repurchase agreements allowed under the Public Funds Investment Act as described by V.T.C.A., Title 10, government Code, Section 2256. Investments are stated at cost which approximates market value. Lone Star's portfolio has low market risk due to restrictions on weighted average maturity and maximum maturity of any one investment and is rated AAA by Standard & Poor. Lone Star's investment maintain weighted average maturity of the portfolio at sixty days or less, with no security exceeding thirteen months in maturity. Lone Star's investment portfolio is required to maintain a stable $1.00 net asset value.

Note 6 – Excess of Expenditures over Budgets in Individual Programs

There were no expenditures incurred in excess of budgets during the 2014 fiscal year for the Cameron-Willacy Community Supervision and Corrections Department.

Note 7 – Accounts and/or Interfund Transfers Receivable and/or Payable at August 31, 2014

	Due From	Due To
#920 Basic Supervision		
Due from Community Corrections	$ 32,531	$ -
Due to CRTC	-	31,864
Due from TAIP	2,392	-
	34,923	31,864
#910 Community Corrections Program		
Due to Basic Supervision	-	32,531
	-	32,531
Diversion Target Program		
#960 Restitution Center		
Due from Basic Supervision	31,864	-
	31,864	-
#940 TAIP		
Due to Basic Supervision	-	2,392
	-	2,392
	$ 66,787	$ 66,787

Due from in the Basic Supervision represents interest income and transfers due from Community Corrections Program, Division Target Program, and TAIP.

Note 8 – Vendor Contracts for Offender Services

Cameron-Willacy Counties Community Supervision and Corrections Department had a valid contract per the Contract Management Manual for TDCJ-CJAD Funding of Offender Services (CMM), with the following vendor that was over $100,000 for the 2014 fiscal year.

Local Government Solutions LP	$ 117,572

Note 9 – Commitments and Contingencies

There were no commitments and contingencies during the fiscal year ending August 31, 2014.

Note 10 – Prior Period Adjustments or Refunds

There was one prior period adjustment, and one refund for the fiscal year ending August 31, 2014. The prior period adjustment to Basic Supervision was due to a refund from FY2013. The refund to the TDCJ-CJAD from Basic Supervision is from the Carryover/Refund Determination calculated by the TDCJ-CJAD.

Prior period adjustment	$	148
Refund	$	163,014

Note 11 – Subsequent Events

Subsequent events were evaluated through January 30, 2015, which is the date the financial statements were available to be issued. No subsequent events were present.

SUPPLEMENTARY INFORMATION