

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT**

315 West Panola Street • Carthage, Texas 75633
Telephone (903) 693-0352 • Fax (903) 693-0357

June 23, 2016

Commissioner's Court:

In accordance with Sec. 140.004(d) of the Local Government Code, the Panola County Juvenile Probation Department files a complete financial statement covering the departments preceding fiscal year ending August 31, 2015. Please record and file the attached report at your next Commissioner's Court meeting.

Thank you,

A handwritten signature in blue ink that reads "Tracy Anderson". The signature is fluid and cursive, with a large initial "T" and "A".

Tracy Anderson
Chief Juvenile Probation Officer

**PANOLA COUNTY
JUVENILE PROBATION DEPARTMENT
SPECIAL REVENUE FUNDS AND ACCOUNT GROUPS**

FINANCIAL STATEMENTS

AUGUST 31, 2015

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**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
FINANCIAL STATEMENTS
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ROBINSON & PAYNE, PLLC
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MEMBERS OF
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

TELEPHONE
(903) 693-8522

INDEPENDENT AUDITOR'S REPORT

Members of the Board
Panola County Juvenile Board
Carthage, Texas

We have audited the accompanying financial statements of the Texas Juvenile Justice Department Grant Funds of Panola County Juvenile Probation Department (Department), which comprise the statement of revenues, expenditures and changes in fund balances— budget and actual-regulatory basis for the year ended August 31, 2015 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Texas Juvenile Justice Department. Management is also responsible for 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 above present fairly, in all material respects, the revenue earned and expenditures incurred compared to budgeted revenues and expenditures of the Department's Texas Juvenile Justice Department Grant Funds for the year ended August 31, 2015 in accordance with the financial reporting provisions of the Texas Juvenile Justice Department 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 Texas Juvenile Justice Department, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Texas Juvenile Justice Department. Our opinion is not modified with respect to that matter.

Emphasis of Matter

As discussed in Note 1, the financial statement presents the results of operations of the Department's Texas Juvenile Justice Department Grant Funds only and is not intended to present fairly the result of operations of the County in conformity with accounting principles generally accepted in the United States of America.

Members of the Board
Panola County Juvenile Probation Department
Page 2 of 2

Other Matters

Required Supplementary Information

Accounting standards generally accepted in the United States require that the Schedule of Funding Progress for the Retirement Plan for the Employees of Panola County and the Schedule of Funding Progress – Other Post Employment Benefits (OPEB) Plan on page 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the accompanying financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The special revenue funds and account groups - combining balance sheet and special revenue funds – statements of revenues, expenditures and changes in fund balances – budget and actual 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2016, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of management, Panola County, others within Panola County Juvenile Probation Department and the Texas Juvenile Justice Department and is not intended to be and should not be used by anyone other than these specified parties.

Robinson & Payne

Robinson & Payne, PLLC
Certified Public Accountants
Carthage, Texas

February 24, 2016

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PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
 TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BY CONTRACT
 BUDGET AND ACTUAL - REGULATORY BASIS
 FOR THE YEAR ENDED AUGUST 31, 2015

	A-2015-183			C-2015-183			N-2015-183			E-2013-183																																																																																																																																																																									
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance																																																																																																																																																																							
Revenues:													Commission Funds	\$ 171,415	\$ 171,415	\$ -	\$ 13,477	\$ 13,477	\$ -	\$ 16,091	\$ 16,091	\$ -	\$ -	\$ -	\$ -	Interest	-	-	-	-	-	-	-	-	-	-	-	706	Total Revenues	171,415	171,415	-	13,477	13,477	-	16,091	16,091	-	-	-	706	Expenditures:													Salaries & Fringe Benefits	109,995	109,995	-	-	-	-	-	-	-	-	-	-	Travel	6,000	4,530	1,470	-	-	-	-	-	-	-	-	-	Operating Expenses	7,000	6,486	514	-	-	-	2,000	-	2,000	-	-	-	Inter-County Contracts	32,000	11,435	20,565	11,477	4,860	6,617	-	-	-	-	-	External Contracts	16,420	13,317	3,103	2,000	-	2,000	14,091	4,130	9,961	4,130	9,183	Total Expenditures	171,415	145,763	25,652	13,477	4,860	8,617	16,091	4,130	11,961	4,130	11,961	9,183	Excess Revenues over Expenditures	-	25,652	25,652	-	8,617	8,617	-	11,961	11,961	-	11,961	(8,477)	Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-	-	-	-	149,346	Fund Balance - End of Year	\$ -	\$ 25,652	\$ 25,652	\$ -	\$ 8,617	\$ 8,617	\$ -	\$ 11,961	\$ 11,961	\$ -	\$ 11,961	\$ 140,869
Commission Funds	\$ 171,415	\$ 171,415	\$ -	\$ 13,477	\$ 13,477	\$ -	\$ 16,091	\$ 16,091	\$ -	\$ -	\$ -	\$ -	Interest	-	-	-	-	-	-	-	-	-	-	-	706	Total Revenues	171,415	171,415	-	13,477	13,477	-	16,091	16,091	-	-	-	706	Expenditures:													Salaries & Fringe Benefits	109,995	109,995	-	-	-	-	-	-	-	-	-	-	Travel	6,000	4,530	1,470	-	-	-	-	-	-	-	-	-	Operating Expenses	7,000	6,486	514	-	-	-	2,000	-	2,000	-	-	-	Inter-County Contracts	32,000	11,435	20,565	11,477	4,860	6,617	-	-	-	-	-	External Contracts	16,420	13,317	3,103	2,000	-	2,000	14,091	4,130	9,961	4,130	9,183	Total Expenditures	171,415	145,763	25,652	13,477	4,860	8,617	16,091	4,130	11,961	4,130	11,961	9,183	Excess Revenues over Expenditures	-	25,652	25,652	-	8,617	8,617	-	11,961	11,961	-	11,961	(8,477)	Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-	-	-	-	149,346	Fund Balance - End of Year	\$ -	\$ 25,652	\$ 25,652	\$ -	\$ 8,617	\$ 8,617	\$ -	\$ 11,961	\$ 11,961	\$ -	\$ 11,961	\$ 140,869													
Interest	-	-	-	-	-	-	-	-	-	-	-	706	Total Revenues	171,415	171,415	-	13,477	13,477	-	16,091	16,091	-	-	-	706	Expenditures:													Salaries & Fringe Benefits	109,995	109,995	-	-	-	-	-	-	-	-	-	-	Travel	6,000	4,530	1,470	-	-	-	-	-	-	-	-	-	Operating Expenses	7,000	6,486	514	-	-	-	2,000	-	2,000	-	-	-	Inter-County Contracts	32,000	11,435	20,565	11,477	4,860	6,617	-	-	-	-	-	External Contracts	16,420	13,317	3,103	2,000	-	2,000	14,091	4,130	9,961	4,130	9,183	Total Expenditures	171,415	145,763	25,652	13,477	4,860	8,617	16,091	4,130	11,961	4,130	11,961	9,183	Excess Revenues over Expenditures	-	25,652	25,652	-	8,617	8,617	-	11,961	11,961	-	11,961	(8,477)	Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-	-	-	-	149,346	Fund Balance - End of Year	\$ -	\$ 25,652	\$ 25,652	\$ -	\$ 8,617	\$ 8,617	\$ -	\$ 11,961	\$ 11,961	\$ -	\$ 11,961	\$ 140,869																										
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Excess Revenues over Expenditures	-	25,652	25,652	-	8,617	8,617	-	11,961	11,961	-	11,961	(8,477)	Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-	-	-	-	149,346	Fund Balance - End of Year	\$ -	\$ 25,652	\$ 25,652	\$ -	\$ 8,617	\$ 8,617	\$ -	\$ 11,961	\$ 11,961	\$ -	\$ 11,961	\$ 140,869																																																																																																																																													
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Fund Balance - End of Year	\$ -	\$ 25,652	\$ 25,652	\$ -	\$ 8,617	\$ 8,617	\$ -	\$ 11,961	\$ 11,961	\$ -	\$ 11,961	\$ 140,869																																																																																																																																																																							

Additional Information:
 Refunds Paid to the Commission for the
 Period of Fiscal Year 2015
 10/30/2015

\$ 25,652	\$ 8,617	\$ 11,961
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The accompanying notes are an integral part of these financial statements.

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**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ENTITY

The Texas Juvenile Justice Department Grant Funds of Panola County (the Funds) were established to account for juvenile probation services funded by the Texas Juvenile Justice Department (TJJD) in Panola County.

The Funds provide separate accountability as required under the State Financial Assistance Contract, by TJJD. The Funds are used to account for each separate program, matching funds and all related expenditures incurred.

B. BASIS OF ACCOUNTING

The financial statements were prepared in conformity with the accounting practices prescribed by TJJD, which prescribes policies and procedures for county probation departments, which is a comprehensive basis of accounting other than generally accepted accounting principles. These accounting practices include the following:

- The financial statements are reported using the accrual basis of accounting. Revenues are recorded when all eligibility requirements have been met and expenditures are recorded when incurred.
- The accompanying financial statements do not represent financial statements prepared in accordance with the provisions for governmental funds as prescribed by the Governmental Accounting Standards Board.
- The accompanying financial statements are prepared in a format to facilitate uniform financial reporting by county probation departments.

NOTE 2 - RECONCILIATION OF ACCRUED INTEREST

Idle funds were maintained in an interest bearing account. The reconciliation of accrued interest earned on funds received from TJJD is as follows:

	Interest Earned TJJD Funds <u>FY 2015</u>	Interest Earned Title IV-E Funds <u>FY 2015</u>	Total <u>Interest</u>
Beginning balance, Sept 1, 2014	\$ 13,427	\$ 21,051	\$ 34,478
Interest accrued on funds received from the period of 09/01/14 – 08/31/15	<u>67</u>	<u>706</u>	<u>773</u>
Total Interest at Aug. 31, 2015	\$ 13,494	\$ 21,757	35,251
Minus interest expenditures in FY 2015	<u>-</u>	<u>-</u>	<u>-</u>
Ending Balance, Aug 31, 2015	<u>\$ 13,494</u>	<u>\$ 21,757</u>	<u>\$ 35,251</u>

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015**

NOTE 3 – OPERATING COST FOR A SECURE JUVENILE FACILITY

The Department does not operate a secure juvenile facility.

NOTE 4 – FEDERAL FINANCIAL ASSISTANCE

The Texas Juvenile Justice Department administers along with the Texas Department of Family and Protective Services, the Title IV-E Program (CFDA 93.658). TJJD disburses funds to Panola County, Texas on a cost reimbursement basis. There were no revenues for this program in the year ending August 31, 2015.

NOTE 5 – FINANCIAL MATCH REQUIREMENTS

To receive Texas Juvenile Justice Department state funds, the juvenile probation departments are required to certify that the amount of local or county funds expended for juvenile services is at least equal to or greater than the amount spent in the 2006 county fiscal year excluding construction and capital outlay expenses. A confirmation of local funds for the year ending August 31, 2015 is required and presented below:

	<u>Local Funding Expended (less construction and capital outlay)</u>
FY 2015	\$ 175,100
FY 2006	\$ 76,882

The juvenile probation certified the financial match requirements were fulfilled in FY 2015.

NOTE 6 - DEPOSITS WITH FINANCIAL INSTITUTIONS

The Department invested its funds during the year into demand deposit checking accounts and certificates of deposit. All funds were invested with the First State Bank & Trust of Carthage, Texas. First State Bank & Trust is the depository bank of Panola County. Accounts of Panola County (including the Juvenile Probation accounts) are covered aggregately by the Federal Deposit Insurance Corporation up to \$250,000 by type account. In addition, as of August 31, 2014, First State Bank & Trust had pledged securities totaling approximately \$76,339,926 toward the County's deposits. The amount pledged is greater than the average amount on deposit during the year.

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015**

NOTE 7 - PENSION PLAN

Employees of the Department are treated as employees of Panola County and as such, are participants in the pension plan provided by the County.

Payroll and Contribution Information

The Department's total payroll for the year ended August 31, 2015 was \$146,673 and the Department's contributions were based on a covered payroll of \$146,673. Employer and employee contributions for the year were made as required and are detailed below. Employee contributions may include the purchase of credits for military or legislative service or the buyback of previously forfeited service credit. There were no related-party transactions.

Employee Contributions	\$10,267
Employer Contributions	\$35,221

Plan Description

Panola County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 641 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034. The CAFR is also available at www.tcdrs.org.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The employer has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 23.50% for calendar year 2014. The contribution rate payable by the employee members is the rate of 7.00% as adopted by the Commissioners' Court of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015**

NOTE 7 - PENSION PLAN (cont.)

Annual Pension Cost

For the employer's accounting year ending December 31, 2014, the annual pension cost for the TCDRS plan for its employees was \$1,698,389, and the actual contributions were \$1,698,389.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2013, the basis for determining the contribution rate for calendar year 2014. The December 31, 2013 actuarial valuation is the most recent valuation.

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial Accrued Liability (AAL)	\$	31,643,753
Actuarial Value of Plan Assets	\$	30,425,530
Unfunded Actuarial Accrued Liability (UAAL)	\$	1,218,223
Funded Ratio		96.15%
Covered Payroll	\$	6,853,792
UAAL as a Percentage of Covered Payroll		17.77%

The required schedule of funded progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

Actuarial Valuation Date	Actuarial Valuation Information		
	12/31/11	12/31/12	12/31/13
Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization Period in Years	4.1	3.5	0.3
Asset Valuation Method	SAF: 10-yr. Smoothed value ESF: Fund value	SAF: 10-yr. Smoothed value ESF: Fund value	SAF: 5-yr. Smoothed value ESF: Fund value
Assumptions:			
Investment Return(**)	8.00%	8.00%	8.00%
Projected Salary Increases(**)	5.4%	5.4%	4.9%
Inflation	3.5%	3.5%	3.0%
Cost-of-Living Adjustments	0.0%	0.0%	0.0%

(**)Includes inflation at the stated rate

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015**

Trend Information for the Retirement Plan for the Employees of Panola County

Accounting Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/12	\$1,546,054	100.00%	\$ -
12/31/13	\$1,608,594	100.00%	\$ -
12/31/14	\$1,698,389	100.00%	\$ -

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS PLAN

Contribution Information

During the current year, contributions of \$14,531 were made by the Department.

Plan Description

Employees of the Department are treated as employees of Panola County and as such, are participants in the other post employment benefits plan provided by the County.

By order 2007-23, dated November 26, 2007, enacted by the Commissioners' Court of Panola County, the County has established the Panola County, Texas Retiree Health Benefit Trust (RHBT) providing for the payment of the health care insurance premiums for eligible retired employees. The plan is a continuation of a policy in effect for approximately twenty five years whereby the County provided certain group medical insurance continuation benefits to retirees of the County on a "pay-as-you-go" basis.

The County established the RHBT in order to restructure the manner in which it funds post-employment benefits so as to more accurately reflect the accounting of such benefits in accordance with Governmental Accounting Standards Board Statement 45 (GASB45).

The RHBT is a single employer defined benefit healthcare plan administered by the County which provides medical insurance benefits to eligible retirees and their beneficiaries.

The County does not issue a separate financial report that includes financial statements and required supplementary information for the RHBT. However the financial statements and the required supplementary information are included in the County's comprehensive annual financial report at pages 35-36 (financial statements) and page 57 (required supplementary information).

At December 31, 2014 the RHBT had 74 retirees receiving benefits and has a total of 170 active participants who are not yet eligible to receive benefits. Order 2007-23 of Panola County assigned the authority to establish and amend benefit provisions to the Commissioners' Court.

The RHBT was initially funded in December 2007 by transferring from the governmental funds and proprietary funds of the County a total of \$9,992,132 into the RHBT. The \$9,992,132 was an initial funding toward an estimated \$12,429,768 in past-service actuarially determined liabilities for active and retired employees. Based on a new actuarial valuation as of December 31, 2014, the estimated past-service actuarially determined liabilities for active and retired employees amounted to \$17,769,730.

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015**

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS PLAN (cont.)

Annual OPEB Cost and Net OPEB Obligations

For 2014, the County’s annual required contribution for the RHBT was \$623,805. Contributions of \$3,733,793 were made by the County. The activity for the year is shown in tabular form below.

Annual Required Contribution	\$	623,805
Interest on Net OPEB Obligation		(482,751)
Amortization of Prior Year OPEB Obligation		781,095
Annual OPEB Cost		922,149
Contributions made		(3,733,793)
Change in OPEB Obligation		(2,811,644)
Net OPEB Obligation (asset), beginning of year		(12,068,793)
Net OPEB Obligation (asset), end of year		\$ (14,880,437)

Trend Information

Fiscal Year	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net Ending OPEB Obligation (Asset)
2012	\$ 859,874	\$ 1,790,318	208.21%	\$ 11,667,474
2013	\$ 899,730	\$ 1,301,049	144.60%	\$ 12,068,793
2014	\$ 922,149	\$ 3,733,793	404.90%	\$ 14,880,437

Funding Policy

The County funds the entire cost of retiree health insurance premiums. Retiree dependents or surviving spouses are able to remain in the plan, but at no cost to the County. Dependent and surviving spouses are eligible for coverage, but the retiree is responsible for the entire cost. There is no direct RHBT subsidy. Dependent premiums are collected from the participants and remitted to the insurance provider on a monthly basis.

Actuarial Methods and Assumptions

Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of plan costs. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspectives of the calculations. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

The actuarial valuation for December 31, 2014, the unprojected unit credit cost method was used. The actuarial assumptions used included a 4.0% investment rate of return, compounded annually, net of investment expenses. The annual healthcare cost trend of 8.5%, grading down to an ultimate 5% rate. Both the rate of return and the healthcare cost rate include and assumed inflation rate of 2.5%. The actuarial valuation of RHBT assets was set at fair market value of the cash and certificates of deposit comprising the investment account at the measurement date.

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015**

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS PLAN (cont.)

Actuarial Methods and Assumptions (cont.)

The RHBT's initial unfunded accrued liability (UAAL) is being amortized at a level (decreasing yearly) over a 30-year closed period. At December 31, 2014, the remaining amortization period is 22 years.

Funded Status

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b - a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/(c))
12/31/14	\$ 20,015,702	\$ 17,769,730	\$(2,245,972)	112.64%	\$ 6,454,393	(34.80%)

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limits.

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
AUGUST 31, 2015**

**SCHEDULE OF FUNDING PROGRESS FOR THE RETIREMENT PLAN
FOR THE EMPLOYEES OF PANOLA COUNTY**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Annual Covered Payroll ¹ (c)	UAAL as a Percentage of Covered Payroll ((b-a)/(c))
12/31/11	\$ 24,288,189	\$ 28,342,073	\$ 4,053,884	85.70%	\$ 6,332,694	64.02%
12/31/12	\$ 25,958,705	\$ 29,705,216	\$ 3,746,511	87.39%	\$ 6,578,957	56.95%
12/31/13	\$ 30,425,530	\$ 31,643,753	\$ 1,218,223	96.15%	\$ 6,853,792	17.77%

¹ The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.
² Funding information may differ from prior year compliance data due to plan changes effective 01/01/14.

**SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Cost (b)	Unfunded (UAAL) (b - a)	Funded Ratio (a/b)	Annual Covered Payroll ¹ (c)	UAAL as a Percentage of Covered Payroll ((b-a)/(c))
12/31/12	\$ 16,010,904	\$ 15,344,796	\$ (666,108)	104.34%	\$ 5,868,494	(11.35)%
12/31/13	\$ 16,856,180	\$ 16,190,854	\$ (665,326)	104.11%	\$ 6,110,077	(10.89)%
12/31/14	\$ 20,015,702	\$ 17,769,730	\$(2,245,972)	112.64%	\$ 6,454,393	(34.80)%

NOTES TO THE SCHEDULE OF FUNDING PROGRESS

Valuation Date	12/31/12	12/31/13	12/31/14
Actuarial Cost Method	Unprojected Unit Credit	Unprojected Unit Credit	Unprojected Unit Credit
Amortization Method	Decreasing Yearly	Decreasing Yearly	Decreasing Yearly
Asset Valuation Method	Market Value	Market Value	Market Value
Actuarial Assumptions:			
Investment Rate of Return*	4.00% per annum	4.00% per annum	4.00% per annum
Health Care Cost Trend	10% Pre-Medicare, grading to 5% ultimate	8.5% Pre-Medicare, grading to 5% ultimate	8.5% Pre-Medicare, grading to 5% ultimate

*Includes inflation of 2.5%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS OTHER POST-EMPLOYMENT BENEFITS (OPEB)
PLAN FOR THE YEAR ENDED DECEMBER 31, 2014**

Year Ended December 31	Actuarial Annual Required Contribution	Employer Contributions	Percentage Contributed
2012	\$ 859,874	\$ 1,790,318	208.21%
2013	\$ 899,730	\$ 1,301,049	144.60%
2014	\$ 922,149	\$ 3,733,793	404.90%

SUPPLEMENTAL INFORMATION

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**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
SPECIAL REVENUE FUNDS AND ACCOUNT GROUPS
COMBINING BALANCE SHEET
AUGUST 31, 2015**

	Special Revenue Fund						Account Group
	Fund 520	Fund 560 Grant A	Fund 585 Local Match Funding	Fund 580 Grant C Commitment Reduction Program	Fund 582 Grant N Mental Health Program	Fund 530 Title IV-E Program	
ASSETS							
Cash - demand deposits	\$ 34,067	\$ 31,405	\$ 125,703	\$ 8,617	\$ 11,961	\$ 75,411	\$ 287,164
Cash - time deposits	30,000	-	100,000	-	-	70,000	200,000
Accounts Receivable	-	-	342	-	-	-	342
Interest Receivable	93	-	-	-	-	50	143
Capital Assets	-	-	-	-	-	-	36,669
Total Assets	\$ 64,160	\$ 31,405	\$ 226,045	\$ 8,617	\$ 11,961	\$ 145,461	\$ 524,318

LIABILITIES AND FUND BALANCE

Liabilities:							
Accounts Payable / Accrued Liabilities	\$ -	\$ 5,753	\$ 454	\$ -	\$ -	\$ 4,592	\$ 10,799
Fund Balance:							
Investment in Capital Assets	-	-	-	-	-	-	36,669
Fund Balance:							
Restricted	64,160	25,652	225,591	8,617	11,961	140,869	476,850
Total Liabilities and Fund Balance	\$ 64,160	\$ 31,405	\$ 226,045	\$ 8,617	\$ 11,961	\$ 145,461	\$ 524,318

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

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
 FUND 520 - PANOLA JUVENILE PROBATION SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED AUGUST 31, 2015**

	<u>Budget</u>	<u>Actual</u>	Budget Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental Receipts			
State Comptroller	\$ -	\$ -	\$ -
Total Intergovernmental Receipts	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous			
Interest Earned	1,499	1,270	(229)
Probation/Informal Adj. Fees	200	290	90
Miscellaneous Revenues	1,556	-	(1,556)
Total Miscellaneous Receipts	<u>3,255</u>	<u>1,560</u>	<u>(1,695)</u>
Total Revenues	<u>3,255</u>	<u>1,560</u>	<u>(1,695)</u>
Expenditures:			
Salaries & Fringe Benefits	-	-	-
Travel	-	-	-
Operating Expenses	1,255	-	1,255
Inter-County Contracts	-	-	-
External Contracts	-	-	-
Capital Outlay	2,000	-	2,000
Total Expenditures	<u>3,255</u>	<u>-</u>	<u>3,255</u>
Excess (Deficiency) Revenues over Expenditures	-	1,560	1,560
Fund Balance - Beginning of Year	<u>62,600</u>	<u>62,600</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 62,600</u>	<u>\$ 64,160</u>	<u>\$ 1,560</u>

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

PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
FUND 560 - GRANT A - STATE FINANCIAL ASSISTANCE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental Receipts			
State Comptroller	\$ 171,415	\$ 171,415	\$ -
Total Intergovernmental Receipts	<u>171,415</u>	<u>171,415</u>	<u>-</u>
Total Revenues	<u>171,415</u>	<u>171,415</u>	<u>-</u>
Expenditures:			
Salaries & Fringe Benefits	109,995	109,995	-
Travel	6,000	4,530	1,470
Operating Expenses	7,000	6,486	514
Inter-County Contracts	32,000	11,435	20,565
External Contracts	16,420	13,317	3,103
Capital Outlay	-	-	-
Total Expenditures	<u>171,415</u>	<u>145,763</u>	<u>25,652</u>
Excess (Deficiency) Revenues over Expenditures	-	25,652	25,652
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 25,652</u>	<u>\$ 25,652</u>

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

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
FUND 585 - LOCAL MATCH FUNDING SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance Favorable (Unfavorable)</u>
Revenues:			
Miscellaneous			
Miscellaneous Revenues	\$ -	\$ -	\$ -
Total Miscellaneous Receipts	-	-	-
Total Revenues	-	-	-
Expenditures:			
Salaries & Fringe Benefits	143,293	143,102	191
Travel	5,019	1,149	3,870
Operating Expenses	7,573	7,573	-
Inter-County Contracts	18,000	2,380	15,620
External Contracts	2,255	-	2,255
Capital Outlay	-	-	-
Total Expenditures	176,140	154,204	21,936
Other Financing Sources			
Local Panola County Funding	175,100	175,100	-
Total Other Financing Sources	175,100	175,100	-
Excess (Deficiency) Revenues over Expenditures	(1,040)	20,896	21,936
Fund Balance - Beginning of Year	204,695	204,695	-
Fund Balance - End of Year	\$ 203,655	\$ 225,591	\$ 21,936

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

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
 FUND 580 - GRANT C - COMMITMENT REDUCTION PROGRAM SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED AUGUST 31, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental Receipts			
State Comptroller	\$ 13,477	\$ 13,477	\$ -
Total Intergovernmental Receipts	<u>13,477</u>	<u>13,477</u>	<u>-</u>
 Total Revenues	 <u>13,477</u>	 <u>13,477</u>	 <u>-</u>
Expenditures:			
Salaries & Fringe Benefits	-	-	-
Travel	-	-	-
Operating Expenses	-	-	-
Inter-County Contracts	11,477	4,860	6,617
External Contracts	2,000	-	2,000
Capital Outlay	-	-	-
Total Expenditures	<u>13,477</u>	<u>4,860</u>	<u>8,617</u>
 Excess (Deficiency) Revenues over Expenditures	 -	 8,617	 8,617
 Fund Balance - Beginning of Year	 -	 -	 -
 Fund Balance - End of Year	 <u>\$ -</u>	 <u>\$ 8,617</u>	 <u>\$ 8,617</u>

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

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
 FUND 582 - GRANT N - MENTAL HEALTH SERVICES PROGRAM SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED AUGUST 31, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental Receipts			
State Comptroller	\$ 16,091	\$ 16,091	\$ -
Total Intergovernmental Receipts	<u>16,091</u>	<u>16,091</u>	<u>-</u>
Total Revenues	<u>16,091</u>	<u>16,091</u>	<u>-</u>
Expenditures:			
Salaries & Fringe Benefits	-	-	-
Travel	-	-	-
Operating Expenses	2,000	-	2,000
Inter-County Contracts	-	-	-
External Contracts	14,091	4,130	9,961
Capital Outlay	-	-	-
Total Expenditures	<u>16,091</u>	<u>4,130</u>	<u>11,961</u>
Excess (Deficiency) Revenues over Expenditures	-	11,961	11,961
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 11,961</u>	<u>\$ 11,961</u>

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

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
FUND 530 - TITLE IV-E PROGRAM SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental Receipts			
State Comptroller	\$ -	\$ -	\$ -
Total Intergovernmental Receipts	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous			
Interest Earned	-	706	706
Total Miscellaneous Receipts	<u>-</u>	<u>706</u>	<u>706</u>
Total Revenues	<u>-</u>	<u>706</u>	<u>706</u>
Expenditures:			
Salaries & Fringe Benefits	-	-	-
Travel	-	-	-
Operating Expenses	-	-	-
Inter-County Contracts	-	-	-
External Contracts	25,000	9,183	15,817
Capital Outlay	-	-	-
Total Expenditures	<u>25,000</u>	<u>9,183</u>	<u>15,817</u>
Excess (Deficiency) Revenues over Expenditures	(25,000)	(8,477)	16,523
Fund Balance - Beginning of Year	<u>149,346</u>	<u>149,346</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 124,346</u>	<u>\$ 140,869</u>	<u>\$ 16,523</u>

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

ROBINSON & PAYNE, PLLC
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**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
GOVERNMENTAL AUDITING STANDARDS**

Members of the Board
Panola County Juvenile Board
Carthage, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Texas Juvenile Justice Department Grant Funds of Panola County Juvenile Probation Department (Department) as of and for the year ended August 31, 2015, and have issued our report thereon dated February 24, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Panola County Juvenile Probation Department’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Department’s internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Panola County Juvenile Probation Department’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Members of the Board
Panola County Juvenile Probation Department
Page 2 of 2

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 Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson & Payne
Robinson & Payne, PLLC
Certified Public Accountants
Carthage, Texas

February 24, 2016

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2015**

There were no findings or questioned costs in the current year.

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2015**

There were no findings or questioned costs in the prior year.

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**123RD JUDICIAL DISTRICT COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

313 W. Panola
Carthage, Texas 75633
(903)693-0351
Fax (903)693-0312

Bradley Wilburn
Director



114 Hurst Street
Center, Texas 75935
(936) 598-2718
Fax (936)598-7257

LaRaye Bailey
Deputy Director

June 23rd, 2016

Commissioners Court:

In accordance with Sec. 140.004(d) of the Local Government code and CJAD Standard 163.43 (a)(1)(F), the 123RD Judicial District Community Supervision & Corrections Department files the following:

- 1) Complete financial statement covering the departments 2015 fiscal year ending August 31, 2015
- 2) Fiscal year 2015, 4th quarter financial report ending August 31, 2015, statement of financial position.

Please record and file the attached reports at your next Commissioners Court meeting.

Thank you,

A handwritten signature in cursive script, appearing to read "Bradley Wilburn", written over a horizontal line.

Bradley Wilburn
Director, 123RD Judicial District CSCD

**PANOLA / SHELBY COUNTY
COMMUNITY SUPERVISION &
CORRECTIONS DEPARTMENT**

FINANCIAL STATEMENTS

AUGUST 31, 2015

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**PANOLA / SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015**

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ROBINSON & PAYNE, PLLC

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CARTHAGE, TEXAS 75633

MEMBERS OF
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TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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(903) 693-8522

INDEPENDENT AUDITOR'S REPORT

To the Members of the
Panola/Shelby County
Community Supervision & Corrections Department
Carthage, Texas 75633

Report on the Financial Statements

We have audited the accompanying financial statements of the Panola/Shelby County Community Supervision & Corrections Department (CSCD), which comprise the combined statement of financial position as of August 31, 2015, and the related combined statements of activities for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 19, 2016.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Texas Department of Criminal Justice – Community Justice Assistance Division (TDCJ-CJAD); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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 of 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 opinions.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the Panola/Shelby County Community Supervision & Corrections Department as of August 31, 2015, and the respective changes in financial position thereof for the year then 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 results of operations of the Panola/Shelby County Community Supervision & Corrections Department only, and are not intended to present fairly the financial position of Panola County, Texas and the results of its operations in conformity with accounting principles generally accepted in the United States of America.

To the Members of the
Panola/Shelby County
Community Supervision & Corrections Department
Page 2 of 2

Other Matters

Required Supplementary Information

Accounting standards generally accepted in the United States require that the Schedule of Funding Progress for the Retirement Plan for the Employees of Panola County on page 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Panola/Shelby County Community Supervision & Correction Department's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The schedules of differences between audit report and CSCD reports on pages 21 – 25, the special revenue funds and account groups – combined statement of financial position on page 26 – 27, the statement of financial position – Drug Court Grant on page 28, the statement of revenues, expenditures and changes in fund balance – Drug Court Grant on page 29 and the statement of revenues, expenditures and changes in fund balance – budget and actual – Drug Court Grant on page 30, 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 19, 2016, on our consideration of the Panola/Shelby County Community Supervision & Corrections Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Panola/Shelby County Community Supervision & Corrections Department's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of management of Panola/Shelby County Community Supervision & 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.

Robinson & Payne

Robinson & Payne, PLLC
Certified Public Accountants
Carthage, Texas

February 19, 2016

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
COMBINED STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2015**

ASSETS

	<u>Basic Supervision</u>	<u>Community Corrections</u>	<u>Diversion Programs</u>	<u>Total</u>
Cash				
Cash – demand deposits	\$ 55,280	\$ 27,221	\$ 1,333	\$ 83,834
Cash – time deposits	100,000	-	-	100,000
Total Cash	<u>155,280</u>	<u>27,221</u>	<u>1,333</u>	<u>183,834</u>
Accounts Receivable				
Community supervision fees receivable	37,894	-	-	37,894
Interest receivable	95	-	-	95
Total Receivables	<u>37,989</u>	<u>-</u>	<u>-</u>	<u>37,989</u>
Total Assets	<u>\$ 193,269</u>	<u>\$ 27,221</u>	<u>\$ 1,333</u>	<u>\$ 221,823</u>

LIABILITIES AND FUND BALANCE

Liabilities				
Accounts Payable	\$ 41,236	\$ 3,541	\$ 17	\$ 44,794
Due to TDCJ-CJAD	-	23,680	1,316	24,996
Total Liabilities	<u>41,236</u>	<u>27,221</u>	<u>1,333</u>	<u>69,790</u>
Fund Balance	<u>152,033</u>	<u>-</u>	<u>-</u>	<u>152,033</u>
Total Liabilities and Fund Balance	<u>\$ 193,269</u>	<u>\$ 27,221</u>	<u>\$ 1,333</u>	<u>\$ 221,823</u>

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

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**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED AUGUST 31, 2015**

	Basic Supervision	Community Corrections	Diversion Programs	Total
REVENUE				
State Aid	\$ 228,017	\$ 95,550	\$ 46,619	\$ 370,186
State Aid – SAFPF	653	-	-	653
Community Supervision Fees	341,748	-	-	341,748
Payment by Program Participants	29,058	-	-	29,058
Interest Income	1,512	-	-	1,512
Other Revenue	598	-	-	598
Total Revenue	<u>601,586</u>	<u>95,550</u>	<u>46,619</u>	<u>743,755</u>
EXPENDITURES				
Salaries and Fringe Benefits	575,643	68,824	44,828	689,295
Travel and Furnished Transportation	111,168	-	-	111,168
Contract Services for Offenders	4,011	8,400	-	12,411
Professional Fees	18,483	717	-	19,200
Supplies and Operating Expenses	35,731	-	1,545	37,276
Utilities	7,614	-	-	7,614
Equipment	6,745	-	-	6,745
Total Expenditures	<u>759,395</u>	<u>77,941</u>	<u>46,373</u>	<u>883,709</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(157,809)	17,609	246	(139,954)
FUND BALANCE,				
SEPTEMBER 1, 2014	309,842	6,071	1,070	316,983
Prior Period Adjustment	-	-	-	-
Inter-fund Transfer In (Out)	-	-	-	-
Fund Balance before Refund to CJAD	152,033	23,680	1,316	177,029
Refund Due to CJAD	-	23,680	1,316	24,996
FUND BALANCE AUGUST 31, 2015	<u>\$ 152,033</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,033</u>

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

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

	CCP Program C.S.R. Coordination	CCP Program Indirect Services
REVENUES		
State Aid	\$ 35,042	\$ 50,028
Total Revenues	<u>35,042</u>	<u>50,028</u>
EXPENDITURES		
Salaries and Fringe Benefits	19,540	49,284
Contract Services for Offenders	-	-
Professional Fees	263	375
Total Expenditures	<u>19,803</u>	<u>49,659</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	15,239	369
FUND BALANCE, SEPTEMBER 1, 2014	4,885	388
Prior Period Adjustment	-	-
Fund Balance before Refund to CJAD	<u>20,124</u>	<u>757</u>
Refund Due to CJAD	20,124	757
FUND BALANCE, AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>

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

EXHIBIT "C"

CCP Program Sex Offender		Total All CCP Programs
\$	10,480	\$ 95,550
	10,480	95,550
	-	68,824
	8,400	8,400
	79	717
	8,479	77,941
	2,001	17,609
	798	6,071
	-	-
	2,799	23,680
	2,799	23,680
\$	-	\$ -

EXHIBIT "D"

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
INDIVIDUAL STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET, ACTUAL AND VARIANCE
FOR THE YEAR ENDED AUGUST 31, 2015
BASIC SUPERVISION PROGRAM**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State Aid	\$ 228,017	\$ 228,017	\$ -
State Aid – SAFFP	600	653	53
Community Supervision Fees	330,000	341,748	11,748
Payment by Program Participants	25,500	29,058	3,558
Interest Income	600	1,512	912
Other Revenue	-	598	598
Total Revenue	<u>584,717</u>	<u>601,586</u>	<u>16,869</u>
EXPENDITURES			
Salaries and Fringe Benefits	578,705	575,643	3,062
Travel and Furnished Transportation	123,200	111,168	12,032
Contract Services for Offenders	9,500	4,011	5,489
Professional Fees	22,810	18,483	4,327
Supplies and Operating Expenses	141,244	35,731	105,513
Utilities	10,900	7,614	3,286
Equipment	8,200	6,745	1,455
Total Expenditures	<u>894,559</u>	<u>759,395</u>	<u>135,164</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(309,842)	(157,809)	152,033
FUND BALANCE, SEPTEMBER 1, 2014	309,842	309,842	-
Prior Period Adjustment	-	-	-
Fund Balance before Refund to CJAD	-	152,033	152,033
Refund to TDCJ-CJAD	-	-	-
FUND BALANCE AUGUST 31, 2015	<u>\$ -</u>	<u>\$ 152,033</u>	<u>\$ 152,033</u>

The accompanying notes are an integral part
of these financial statements

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
INDIVIDUAL STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET, ACTUAL AND VARIANCE
FOR THE YEAR ENDED AUGUST 31, 2015
COMMUNITY CORRECTIONS PROGRAM:
COMMUNITY SERVICE RESTITUTION**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State Aid	\$ 35,043	\$ 35,042	\$ (1)
Total Revenue	<u>35,043</u>	<u>35,042</u>	<u>(1)</u>
EXPENDITURES			
Salaries and Fringe Benefits	34,691	19,540	15,151
Professional Fees	263	263	-
Equipment	89	-	89
Total Expenditures	<u>35,043</u>	<u>19,803</u>	<u>15,240</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	15,239	15,239
FUND BALANCE, SEPTEMBER 1, 2014	4,885	4,885	-
Prior Period Adjustment	-	-	-
Fund Balance before Refund to CJAD	4,885	20,124	15,239
Refund to TDCJ-CJAD	<u>4,885</u>	<u>20,124</u>	<u>(15,239)</u>
FUND BALANCE AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part
of these financial statements

EXHIBIT "F"

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
INDIVIDUAL STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET, ACTUAL AND VARIANCE
FOR THE YEAR ENDED AUGUST 31, 2015
COMMUNITY CORRECTIONS PROGRAM:
INDIRECT SERVICES**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State Aid	\$ 50,028	\$ 50,028	\$ -
Total Revenue	<u>50,028</u>	<u>50,028</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	49,653	49,284	369
Professional Fees	375	375	-
Total Expenditures	<u>50,028</u>	<u>49,659</u>	<u>369</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	369	369
FUND BALANCE, SEPTEMBER 1, 2014	388	388	-
Prior Period Adjustment	-	-	-
Fund Balance before Refund to CJAD	388	757	369
Refund to TDCJ-CJAD	388	757	(369)
FUND BALANCE AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part
of these financial statements

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
INDIVIDUAL STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET, ACTUAL AND VARIANCE
FOR THE YEAR ENDED AUGUST 31, 2015
COMMUNITY CORRECTIONS PROGRAM:
SEX OFFENDER**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State Aid	\$ 10,479	\$ 10,480	\$ 1
Total Revenue	<u>10,479</u>	<u>10,480</u>	<u>1</u>
EXPENDITURES			
Contract Services for Offenders	10,400	8,400	2,000
Professional Fees	79	79	-
Total Expenditures	<u>10,479</u>	<u>8,479</u>	<u>2,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	2,001	2,001
FUND BALANCE, SEPTEMBER 1, 2014	798	798	-
Prior Period Adjustment	-	-	-
Fund Balance before Refund to CJAD	798	2,799	2,001
Refund to TDCJ-CJAD	798	2,799	(2,001)
FUND BALANCE AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part
of these financial statements

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
INDIVIDUAL STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET, ACTUAL AND VARIANCE
FOR THE YEAR ENDED AUGUST 31, 2015
DIVERSION TARGET GRANT PROGRAM:
SPECIALIZED CASELOAD SEX OFFENDER**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State Aid	\$ 46,619	\$ 46,619	\$ -
Total Revenue	<u>46,619</u>	<u>46,619</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	44,860	44,828	32
Supplies and Operating Expenses	1,759	1,545	214
Total Expenditures	<u>46,619</u>	<u>46,373</u>	<u>246</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	246	246
FUND BALANCE, SEPTEMBER 1, 2014	1,070	1,070	-
Prior Period Adjustment	-	-	-
Fund Balance before Refund to CJAD	1,070	1,316	246
Refund to TDCJ-CJAD	<u>1,070</u>	<u>1,316</u>	<u>(246)</u>
FUND BALANCE AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part
of these financial statements

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statements include the revenue of the Panola/Shelby County Community Supervision and Corrections Department, 123rd Judicial District (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, local fees collected for the use of the CSCD, and the expenditure of those funds. The 123rd District includes Shelby and Panola Counties.

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

Basis of Accounting

Since the Panola/Shelby County Community Supervision and Corrections 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 financial statements. The accounts of the Panola/Shelby 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.

The modified accrual basis of accounting is followed in that revenues are recorded when susceptible to accrual; i.e., earned, measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues received by October 31, 2015 for financial activity performed by August 31, 2015, are considered available. Also, purchases for which the commitment has been established by August 31, 2015, are considered liabilities regardless of whether possession of these goods has been received by August 31, provided that the liability purchase is received and is paid by October 31, 2015. Exception to this method of accounting is the recording of refunds to the State as reductions of Fund Balance.

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

Budgets (Accounting and Legal Compliance)

The Board of Judges reviews the Community Supervision & Corrections Department's biennium budget in an open meeting and adopts the budget. The CSCD prepares and files the biennium budget in accordance with the *Financial Management Manual for TDCJ-CJAD Funding*. The Board of Judges authorizes the Director of the CSCD to submit routine budget amendments in accordance with the *Financial Management Manual for TDCJ-CJAD Funding*. Budget adjustments are brought to the Board of Judges for approval for line item changes that exceed \$15,000 or 15%, whichever is greater, of the approved line item amount (including interfund transfers to other programs or for cash-matching grants from other agencies).

The budgets governing the funding to the programs are prepared at the beginning of each biennium and approved by the district judges and the criminal court-at-law judge with jurisdiction over the department in an open meeting and by the Texas Department of Criminal Justice – Community Justice Assistance Division. Only budget adjustment requests, at year end, received by September 30, 2015 will be reviewed and approved/disapproved by TDCJ-CJAD. TDCJ-CJAD will not accept budget adjustments after September 30, 2015 for the previous fiscal year. Only budget adjustments approved by TDCJ-CJAD should be referred to in performing the financial audit.

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized. All encumbrances not liquidated by October 31, 2015 became part of the subsequent year's budget.

Compensated Absences

As of August 31, 2015, the Panola/Shelby County Community Supervision & Corrections Department had no liability for compensated absences. All amounts due to employees have been paid as of August 31, 2015.

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 CSCD's.

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. CSCD's are the only entities eligible for CC funds.

Diversion Program (DP) Grant Funds

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

Substance Abuse Felony Punishment Facility (SAFPF) Funding: Aftercare caseloads are funded on a per case basis and must meet specific supervision requirements. Funding for SAFP 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 FY2010 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.

High / Medium Reduction Caseload Funding: Appropriations of the High/Medium Reduction Caseload funding 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 Programs (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. The Panola/Shelby County Community Supervision & Corrections Department did not receive any TAIP grant fund during the year ended August 31, 2015.

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015**

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 (community supervision fees collected, program participation funds collected, interest, county contributions, donations, commissions, etc.)

During the year ended August 31, 2015, the Panola/Shelby County Community Supervision & Corrections Department received the following funding 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
Supervision Fees	\$ 341,748	Financial Management Manual for TDCJ-CJAD Funding Restrictions	Yes
Program Participant Fees, including Pre-Trial Diversion/Intervention Fees	\$ 29,058	Financial Management Manual for TDCJ-CJAD Funding Restrictions	Yes
Interest Income	\$ 1,512	Financial Management Manual for TDCJ-CJAD Funding Restrictions	Yes
Other Income (Restitution)	\$ 598	Financial Management Manual for TDCJ-CJAD Funding Restrictions	Yes

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 (Civil Fees, Victim Restitution Funds, Federal Grants, Bond Supervision Funds, Grants from Sources Other Than TDCJ-CJAD, etc.)

During the year ended August 31, 2015, the Panola/Shelby County Community Supervision & Corrections Department received the following funding 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, 2015
Victim Restitution	\$ 125,441	Government Code 76.013 paid directly to victim within certain timelines.	Yes	\$ -
Attorney Fees	\$ 47,868	Local Government Code, Chapter 113, Section 113.022	Yes	\$ -
Court Costs	\$ 102,607	Local Government Code, Chapter 113, Section 113.022	Yes	\$ -
Fines	\$ 148,803	Local Government Code, Chapter 113, Section 113.022	Yes	\$ -
Supervision Fee for Sex Offenders	\$ 511	Article 42.12, Section 19(f) of the Code of Criminal Procedure	Yes	\$ -
Other Fees Payable to the County	\$ 5,768	Local Government Code, Chapter 113, Section 113.022	Yes	\$ -
Refunds	\$ 290	Local Government Code, Chapter 113, Section 113.022	Yes	\$ -

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015**

NOTE 5 – CASH, PETTY CASH AND INVESTMENTS

Collection or clearing accounts are trust funds and must be covered by pledged collateral to cover the estimated highest daily balance of funds operated in conjunction with or through the County depository by the CSCD. Collection accounts must be transferred to the CSCD district account within the time frames listed in Local Government Code 113.022. All CSCD funds must be in the County treasury (the County's bank account) and must be disbursed by the County Treasurer (Government Code 509.011(c) and Local Government Code 140.003(f)).

The Department invested its idle funds during the year into demand deposit checking accounts and certificates of deposit. All funds were invested with the First State Bank & Trust of Carthage, Texas. First State Bank & Trust is the depository bank of Panola County. Accounts of Panola County (including the CSCD accounts) are covered aggregately by the Federal Deposit Insurance Corporation up to \$250,000 by type of account. In addition, First State Bank & Trust has pledged securities totaling approximately \$76,339,926 toward the County's deposits. The amount pledged is greater than the average amount on deposit during the year.

The Panola/Shelby County Community Supervision & Corrections Department did not have any petty cash funds during the year ended August 31, 2015.

NOTE 6 - EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL PROGRAMS

There were no instances of expenditures exceeding budgets in individual programs in fiscal year 2015.

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

As of August 31, 2015, the Panola/Shelby County CSCD reported accounts receivable in the amount of \$37,894 for community supervision fees receivable and \$95 for interest receivable. Accounts payable for goods and services provided, and budgeted, for the year the ending August 31, 2015 amounted to \$44,794. In addition, the Panola/Shelby County CSCD reported an amount due to TDCJ-CJAD of \$24,996 representing fund balances as of August 31, 2015 to be refunded to TDCJ-CJAD. There were no interfund receivables and payables as of August 31, 2015.

NOTE 8 – VENDOR CONTRACTS FOR OFFENDER SERVICES

There were no vendor contracts and/or payments over \$100,000 during the fiscal year ended August 31, 2015.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

There The Panola/Shelby County Community Supervision & Corrections Department had no known commitments and contingencies as of August 31, 2015.

NOTE 10 – PRIOR PERIOD ADJUSTMENTS AND REFUNDS

There were no prior period adjustments or refunds in the financial statements for the year ended August 31, 2015.

NOTE 11 – SUBSEQUENT EVENTS

As of the date of the audit report, there were no known subsequent events which require disclosure in these financial statements.

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015**

NOTE 12 - PENSION PLAN

Employees of the Department are treated as employees of Panola County and as such, are participants in the pension plan provided by the County.

Payroll and Contribution Information

The Department's total payroll for the year ended August 31, 2015 was \$552,386 and the Department's contributions were based on a covered payroll of \$552,386. Employer and employee contributions for the year were made as required and are detailed below. Employee contributions may include the purchase of credits for military or legislative service or the buyback of previously forfeited service credit. There were no related-party transactions.

Employee Contributions	\$ 38,667
Employer Contributions	\$ 133,210

Plan Description

Panola County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 641 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034. The CAFR is also available at www.tcdrs.org.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The employer has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 23.50% for calendar year 2014. The contribution rate payable by the employee members is the rate of 7.00% as adopted by the Commissioners' Court of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost

For Panola County's accounting year ending December 31, 2014, the annual pension cost for the TCDRS plan for its employees was \$1,698,389, and the actual contributions were \$1,698,389.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2013, the basis for determining the contribution rate for calendar year 2014. The December 31, 2013 actuarial valuation is the most recent valuation.

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015**

NOTE 12 - PENSION PLAN (cont.)**Funded Status and Funding Progress**

As of December 31, 2013, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial Accrued Liability (AAL)	\$ 31,643,753
Actuarial Value of Plan Assets	\$ 30,425,530
Unfunded Actuarial Accrued Liability (UAAL)	\$ 1,218,223
Funded Ratio	96.15%
Covered Payroll	\$ 6,853,792
UAAL as a Percentage of Covered Payroll	17.77%

The required schedule of funded progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

Actuarial valuation date	Actuarial Valuation Information		
	12/31/11	12/31/12	12/31/13
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period in years	4.1	3.5	0.3
Asset valuation method	SAF: 10 yr. Smoothed value ESF: Fund value	SAF: 10 yr. Smoothed value ESF: Fund value	SAF: 5 yr. Smoothed value ESF: Fund value
Actuarial assumptions:			
Investment return ¹	8.00%	8.00%	8.00%
Projected salary increases	5.4%	5.4%	4.9%
Inflation	3.5%	3.5%	3.0%
Cost of living Adjustment	0.0%	0.0%	0.0%

¹Includes inflation at the stated rate

Trend Information for the Retirement Plan for the Employees of Panola County

Accounting Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Ending</u> 12/31/12	\$1,546,054	100.00%	\$ -
12/31/13	\$1,608,594	100.00%	\$ -
12/31/14	\$1,698,389	100.00%	\$ -

NOTE 13 - FUND BALANCE

The fund balance shown in the Regular Supervision Fund consists of earnings retained. The fund balance is not designated toward a specific expenditure category, but is intended for general objectives of the program.

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
AUGUST 31, 2015**

**SCHEDULE OF FUNDING PROGRESS FOR THE RETIREMENT PLAN
FOR THE EMPLOYEES OF PANOLA COUNTY**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Annual Covered Payroll ¹ (c)	UAAL as a Percentage of Covered Payroll ((b-a)/(c))
12/31/11	\$ 24,288,189	\$ 28,342,073	\$ 4,053,884	85.70%	\$ 6,332,694	64.02%
12/31/12	\$ 25,958,705	\$ 29,705,216	\$ 3,746,511	87.39%	\$ 6,578,957	56.95%
12/31/13	\$ 30,425,530	\$ 31,643,753	\$ 1,218,223	96.15%	\$ 6,853,792	17.77%

¹ The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

² Funding information may differ from prior year compliance data due to plan changes effective 01/01/14.

SUPPLEMENTAL SCHEDULES

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CJAD
BASIC SUPERVISION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2015**

	Audit	Per CSCD Report	Difference
REVENUE			
State Aid	\$ 228,017	\$ 228,017	\$ -
State Aid – SAFFP	653	653	-
Community Supervision Fees	341,748	341,748	-
Payment by Program Participants	29,058	29,058	-
Interest Income	1,512	1,512	-
Other Revenue	598	598	-
Total Revenue	601,586	601,586	-
EXPENDITURES			
Salaries and Fringe Benefits	575,643	575,643	-
Travel and Furnished Transportation	111,168	111,168	-
Contract Services for Offenders	4,011	4,011	-
Professional Fees	18,483	18,483	-
Supplies and Operating Expenses	35,731	35,731	-
Utilities	7,614	7,614	-
Equipment	6,745	6,745	-
Total Expenditures	759,395	759,395	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	(157,809)	(157,809)	-
FUND BALANCE, SEPTEMBER 1, 2014			
	309,842	309,842	-
Prior Period Adjustment	-	-	-
Fund Balance before Refund to CJAD	152,033	152,033	-
Refund Due to CJAD	-	-	-
FUND BALANCE AUGUST 31, 2015	\$ 152,033	\$ 152,033	\$ -

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

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CJAD
COMMUNITY CORRECTIONS PROGRAM:
COMMUNITY SERVICE RESTITUTION
FOR THE YEAR ENDED AUGUST 31, 2015**

	Audit	Per CSCD Report	Difference
REVENUE			
State Aid	\$ 35,042	\$ 35,042	\$ -
Total Revenue	<u>35,042</u>	<u>35,042</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	19,540	19,540	-
Professional Fees	263	263	-
Total Expenditures	<u>19,803</u>	<u>19,803</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	15,239	15,239	-
FUND BALANCE, SEPTEMBER 1, 2014	<u>4,885</u>	<u>4,885</u>	<u>-</u>
Fund Balance before Refund to CJAD	20,124	20,124	-
Refund Due to CJAD	<u>20,124</u>	<u>20,124</u>	<u>-</u>
FUND BALANCE AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CJAD
COMMUNITY CORRECTIONS PROGRAM:
INDIRECT SERVICES
FOR THE YEAR ENDED AUGUST 31, 2015**

	Audit	Per CSCD Report	Difference
REVENUE			
State Aid	\$ 50,028	\$ 50,028	\$ -
Total Revenue	<u>50,028</u>	<u>50,028</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	49,284	49,284	-
Professional Fees	375	375	-
Total Expenditures	<u>49,659</u>	<u>49,659</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	369	369	-
FUND BALANCE, SEPTEMBER 1, 2014	388	388	-
Prior Period Adjustment	-	-	-
Fund Balance before Refund to CJAD	757	757	-
Refund Due to CJAD	<u>757</u>	<u>757</u>	<u>-</u>
FUND BALANCE AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

EXHIBIT "L"

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CJAD
COMMUNITY CORRECTIONS PROGRAM:
SEX OFFENDER
FOR THE YEAR ENDED AUGUST 31, 2015**

	Audit	Per CSCD Report	Difference
REVENUE			
State Aid	\$ 10,480	\$ 10,480	\$ -
Total Revenue	<u>10,480</u>	<u>10,480</u>	<u>-</u>
EXPENDITURES			
Contract Services for Offenders	8,400	8,400	-
Professional Fees	79	79	-
Total Expenditures	<u>8,479</u>	<u>8,479</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,001	2,001	-
FUND BALANCE, SEPTEMBER 1, 2014	798	798	-
Prior Period Adjustment	-	-	-
Fund Balance before Refund to CJAD	2,799	2,799	-
Refund Due to CJAD	<u>2,799</u>	<u>2,799</u>	<u>-</u>
FUND BALANCE AUGUST 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
SCHEDULE OF DIFFERENCES BETWEEN
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CJAD
DIVERSION TARGET GRANT PROGRAM:
SPECIALIZED CASELOAD SEX OFFENDER
FOR THE YEAR ENDED AUGUST 31, 2015**

	Audit	Per CSCD Report	Difference
REVENUE			
State Aid	\$ 46,619	\$ 46,619	\$ -
Total Revenue	<u>46,619</u>	<u>46,619</u>	<u>-</u>
EXPENDITURES			
Salaries and Fringe Benefits	44,828	44,828	-
Supplies and Operating Expenses	1,545	1,545	-
Total Expenditures	<u>46,373</u>	<u>46,373</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	246	246	-
FUND BALANCE, SEPTEMBER 1, 2014			
	<u>1,070</u>	<u>1,070</u>	<u>-</u>
Fund Balance before Refund to CJAD			
	1,316	1,316	-
Refund Due to CJAD			
	<u>1,316</u>	<u>1,316</u>	<u>-</u>
FUND BALANCE AUGUST 31, 2015			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
SPECIAL REVENUE FUNDS AND ACCOUNT GROUPS
COMBINED STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2015**

ASSETS

	<u>Special Revenue Fund Type</u>		
	<u>Basic Supervision Program Fund</u>	<u>Community Correction Program Fund</u>	<u>Diversion Target Program Fund</u>
Cash			
Cash – demand deposits	\$ 55,280	\$ 27,221	\$ 1,333
Cash – time deposits	100,000	-	-
Total Cash	<u>155,280</u>	<u>27,221</u>	<u>1,333</u>
Accounts Receivable			
Community Supervision fees receivable	37,894	-	-
Interest receivable	95	-	-
Total Accounts Receivable	<u>37,989</u>	<u>-</u>	<u>-</u>
Capital assets			
Resources to be provided for retirement of long-term debt	-	-	-
Total Assets	<u>\$ 193,269</u>	<u>\$ 27,221</u>	<u>\$ 1,333</u>

LIABILITIES AND FUND BALANCE

Liabilities			
Accounts payable	\$ 41,236	\$ 3,541	\$ -
Due to TDCJ-CJAD	-	23,680	1,333
Total Liabilities	<u>41,236</u>	<u>27,221</u>	<u>1,333</u>
Fund Balance			
Investment in General Fixed Assets	-	-	-
Fund balance:			
Unreserved:			
Undesignated	152,033	-	-
Total Liabilities and Fund Balance	<u>\$ 193,269</u>	<u>\$ 27,221</u>	<u>\$ 1,333</u>

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

General Fixed Assets	Long- Term Debt	Totals (Memorandum Only)
\$ -	\$ -	\$ 83,834
-	-	100,000
-	-	183,834
-	-	37,894
-	-	95
-	-	37,989
252,389	-	252,389
-	-	-
<u>\$ 252,389</u>	<u>\$ -</u>	<u>\$ 474,212</u>
-	-	-
-	-	44,794
-	-	24,996
-	-	69,790
252,389	-	252,389
-	-	152,033
<u>\$ 252,389</u>	<u>\$ -</u>	<u>\$ 474,212</u>

EXHIBIT "O"

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
STATEMENT OF FINANCIAL POSITION
DRUG COURT GRANT
AUGUST 31, 2015**

ASSETS

Cash	
Cash – demand deposits	\$ 78,895
Total Cash	<u>78,895</u>
Accounts Receivable	
State aid receivable	16,419
Total Receivables	<u>16,419</u>
Total Assets	<u>\$ 95,314</u>

LIABILITIES

Liabilities	
Accounts Payable	\$ 10,903
Total Liabilities	<u>10,903</u>
Fund Balance	<u>84,411</u>
Total Liabilities and Fund Balance	<u>\$ 95,314</u>

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

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
DRUG COURT GRANT
FOR THE YEAR ENDED AUGUST 31, 2015**

REVENUE	
State Aid	\$ 94,992
Drug Court Fees	4,824
Interest Income	294
Total Revenue	<u>100,110</u>
EXPENDITURES	
Salaries and Fringe Benefits	58,370
Contract Services	36,347
Supplies and Operating Expenses	585
Total Expenditures	<u>95,302</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,808
FUND BALANCE, SEPTEMBER 1, 2014	<u>79,603</u>
FUND BALANCE AUGUST 31, 2015	<u>\$ 84,411</u>

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

EXHIBIT "Q"

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET, ACTUAL AND VARIANCE
DRUG COURT GRANT
FOR THE YEAR ENDED AUGUST 31, 2015**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State Aid	\$ 99,692	\$ 94,992	\$ (4,700)
Drug Court Fees	-	4,824	4,824
Interest Income	-	294	294
Total Revenue	<u>99,692</u>	<u>100,110</u>	<u>418</u>
EXPENDITURES			
Salaries and Fringe Benefits	58,922	58,370	552
Contract Services	40,170	36,347	3,823
Supplies and Operating Expenses	600	585	15
Total Expenditures	<u>99,692</u>	<u>95,302</u>	<u>4,390</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	-	4,808	4,808
FUND BALANCE, SEPTEMBER 1, 2014			
	<u>79,603</u>	<u>79,603</u>	<u>-</u>
FUND BALANCE AUGUST 31, 2015			
	<u>\$ 79,603</u>	<u>\$ 84,411</u>	<u>\$ 4,808</u>

The accompanying notes are an integral part
of these financial statements

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**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* FOR PANOLA/SHELBY COUNTY COMMUNITY
SUPERVISION AND CORRECTIONS DEPARTMENT, CARTHAGE, TEXAS**

To The Members of the
Panola/Shelby County
Community Supervision & Corrections Department
Carthage, 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 Panola/Shelby County Community Supervision and Corrections Department as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise Panola/Shelby County Community Supervision and Corrections Department's basic financial statements, and have issued our report thereon dated February 19, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Panola/Shelby County Community Supervision and Corrections Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness Panola/Shelby County Community Supervision and Corrections Department's internal control. Accordingly, we do not express an opinion on the effectiveness of Panola/Shelby 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 Panola/Shelby 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*.

To The Members of the
Panola/Shelby County
Community Supervision & Corrections Department
Page 2 of 2

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 Panola/Shelby 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.

Robinson & Payne

Robinson & Payne, PLLC
Certified Public Accountants

February 19, 2016

**PANOLA/SHELBY COUNTY
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2015**

Reportable Conditions

None noted.

Statement of Corrective Action Taken

None.

Fiscal Year 2015 TDCJ-CJAD Compliance Checklist

Indicate whether these compliance requirements have been met by answering "Yes," "No," or "NA" (Not Applicable): (Note: The first eighteen (18) checklist items are to be answered "Yes" or "No" only.)

YES	NO	N/A	
<u>X</u>	___		Is separate accountability maintained for TDCJ-CJAD funds; i.e., fund accounting of self-balancing funds? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>X</u>	___		Are Revenues and Expenditures reported to TDCJ-CJAD in agreement with, or reconcilable to, the funding recipient's accounting records and with audited expenditures in each budget category? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>X</u>	___		Are TDCJ-CJAD funds and locally generated revenues expended in accordance with the <i>Financial Management Manual for TDCJ-CJAD Funding (FMM)</i> , TDCJ-CJAD Standards, TDCJ-CJAD Field Correspondence, TDCJ-CJAD Policy Statements, Standard and Special Grant Conditions, and applicable laws? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>X</u>	___		Are proper cutoff procedures observed at the end of each fiscal period? The cutoff date for revenues recognition and expenditures payments of FY 2015 is October 31, 2015.
<u>X</u>	___		Is the modified accrual basis of accounting used in preparing the fourth quarter reports for submission to TDCJ-CJAD? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
___	<u>X</u>		Are any TDCJ-CJAD funds used to pay judges' salaries (unless specifically approved by TDCJ-CJAD in a Program Budget; i.e., DWI Courts), community justice council members' salaries, or other court-related expenses? If any of these salaries or expenses are paid, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>X</u>	___		Are expenditures and revenues supported by adequate documentation? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>X</u>	___		Are all employees with access to funds covered by a surety bond? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>X</u>	___		Does the CSCD have an existing policy on budget approval, operate by the policy, and the policy has been approved in an open meeting by the judges charged with oversight of the CSCD (Government Code, Section 76.002, and the <i>Financial Management Manual for TDCJ-CJAD Funding (FMM)</i> Pages 8-10). If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>X</u>	___		Are all of the CSCD's funds and collections deposited in the county treasury (county's bank account)? (<i>FMM</i> Pages 7-8; Government Code, Section 509.011; Local Government Code, Section 140.003 (f); and Attorney General's Opinion DM-257, dated September 15, 1993) If not, explain in the Notes to the Financial Statements and include in the Schedule of Findings and Questioned Costs.

<u>X</u>	___		Are all of the CSCD's funds and collections disbursed by the county treasurer on behalf of the CSCD? (<i>FMM</i> Pages 7-8; Government Code, Section 509.011; Local Government Code, Section 140.003 (f); and Attorney General's Opinion DM-257, dated September 15, 1993) If not, explain in the Notes to the Financial Statements and include in the Schedule of Findings and Questioned Costs.
<u>X</u>	___		Are all of the CSCD's funds and collections deposited in the county treasury (county's bank account) within the time period required by Local Government Code 113.022? (<i>FMM</i> Pages 7-8) If not, explain in the Notes to the Financial Statements and include in the Schedule of Findings and Questioned Costs.
<u>X</u>	___		Did the Fiscal Officer follow the applicable laws, guidelines, and duties as specified on Pages 31-35 of the <i>Financial Management Manual for TDCJ-CJAD Funding</i> ? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>X</u>	___		Were purchasing laws, including required competitive bidding, followed as directed in accordance with the same procedures applicable to a county? (Texas Local Government Code Section 140.003 and Chapter 262, <i>FMM</i> Pages 35-36) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
___	___	<u>X</u>	Were there any instances of fraud, non-compliance, waste, or abuse noted by the auditor (Chapter 4, Item 4.25 <i>Government Auditing Standards</i>)? If yes, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>X</u>	___		Are locally generated funds, and other collections, documented with a proper receipt system, and can they be traced to probationers' accounts, bank deposits and statements? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>X</u>	___		Is <u>equipment</u> physically inventoried and adequately supported with an inventory form? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>X</u>	___		Is surplus <u>equipment</u> disposed of in accordance with TDCJ-CJAD guidelines? (<i>FMM</i> Page 24) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
___	___	<u>X</u>	Was an explanation given in the Schedule of Differences for any changes or adjustments that were made to Revenues and Expenditures (by either the CSCD or the Independent Auditor) that adjusted the previous amounts reported to TDCJ-CJAD? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
___	___	<u>X</u>	Are expenditures that benefit both juveniles and adults prorated on an equitable basis? Is determination of the method of prorating such expenditures supported by adequate documentation, including an annual time study? (<i>FMM</i> Page 26) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
<u>X</u>	___	___	If the CSCD determines that an increase or decrease in revenue or expenditures is required, were budget adjustments submitted to TDCJ-CJAD, by September 30, 2015 , and in accordance with the <i>Financial Management Manual for TDCJ-CJAD Funding</i> ? (<i>FMM</i> Pages 8-10) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

- | | | | |
|--------------|-----|-----|--|
| <u> X </u> | ___ | ___ | Are all non-TDCJ-CJAD funded program fees expended in accordance with applicable limitations; i.e., civil fees, Federal grants, bond fees, sex offender fees, crime victims compensation fees, etc.? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
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|--------------|-----|-----|---|
| <u> X </u> | ___ | ___ | Are Victim Restitution Funds accounted for in accordance with Texas Government Code, Section 76.013, and are unclaimed funds tracked for the required five-year period prior to sending to the State Comptroller? (<i>FMM</i> Page 28) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
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| <u> X </u> | ___ | ___ | Have TDCJ-CJAD policies regarding contracts with vendors been followed, which includes maintaining a Contract Monitoring Plan (policy) to monitor vendor payments and compliance with contracts? (<i>CMM</i> and Pages 10-11 of these Guidelines) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
|--------------|-----|-----|--|
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|--------------|-----|-----|--|
| <u> X </u> | ___ | ___ | Does the CSCD have a policy regarding eligibility for employee salary merit increases, if merit or one-time increases are given? (<i>FMM</i> Page 46) If such increases are given without a written policy, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
|--------------|-----|-----|--|
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| ___ | ___ | <u> X </u> | If the CSCD allows offenders to pay a fee or donate goods to a local food bank in lieu of performing community service restitution (CSR) work hours, does the CSCD have a written CSR Policy stating this fact? (TDCJ-CJAD Policy Statement No. CJAD-PS-08) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
|-----|-----|--------------|--|
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| ___ | ___ | <u> X </u> | Are petty cash funds (not change funds) authorized by the county auditor or fiscal officer? (<i>FMM</i> , Pages 7-8, 20 and 34) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
|-----|-----|--------------|--|
- | | | | |
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| ___ | ___ | <u> X </u> | Are petty cash funds used only for specific purposes for allowable items as listed in the <i>Financial Management Manual for TDCJ-CJAD Funding</i> and expended only for emergency situations authorized by a written policy and approved by the CSCD director? (<i>FMM</i> , Pages 7-8, 20 and 34) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
|-----|-----|--------------|--|
- | | | | |
|-----|-----|--------------|--|
| ___ | ___ | <u> X </u> | Are Personal Bond, Pre-Trial Bond, Surety Bond, Bail and Certain Other Supervision expenses relating to CSCD employees supervising these cases paid from the administrative fees (and not from state-funded budgets) set in Article 76.015(c) of the Texas Government Code, as amended; i.e., salaries, fringe benefits, travel, supplies, equipment, etc., paid from these fees? If a CSCD employee (or more than one employee where cumulative time is not over 10% of one full-time equivalent position) spends no more than 10% of his/her time on the Bond/Other Supervision Program activities, separation of expenses is considered immaterial and is not required. However, all revenue generated from these fees must be accounted for separately in a local budget. Is this being properly captured? (<i>FMM</i> Pages 20-21 and TDCJ-CJAD Policy Statement No. CJAD-PS-09) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
|-----|-----|--------------|--|
- | | | | |
|-----|-----|--------------|---|
| ___ | ___ | <u> X </u> | With prior TDCJ-CJAD approval, CSCDs may use Basic Supervision, CC, DP, or TAIP funds as required cash matching for grants from other governmental agencies, non-profit organizations, or private foundations, etc., for the purpose of expanding an existing program. Was cash matching properly authorized, budgeted, and expended? (<i>FMM</i> Pages 21-22) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. |
|-----|-----|--------------|---|

The Texas Code of Criminal Procedure, Article 42.12, Section 19 (e) requires as a condition of probation that certain sex offenders pay \$5.00 per month during the period of supervision. These fees are in addition to court costs or any other fee imposed on the offender as court ordered. Are these fees collected and accounted for by the CSCD and remitted to the State Comptroller? (FMM Page 27) If fees are collected, include them in the Note to the Financial Statements for funds not required to be budgeted. If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

X ___ ___

Article 42.12, Section 11 (a) (18), Code of Criminal Procedure authorizes the court to order a defendant, as a condition of community supervision, to reimburse the Crime Victims' Compensation Fund for any amounts paid from that fund to a victim of the defendant's offense or, if no reimbursement is required, make one payment to the fund in an amount not to exceed \$50 if the offense is a misdemeanor or not to exceed \$100 if the offense is a felony. If these fees were collected, were they remitted to the State Comptroller in compliance with the timelines outlined by the State Comptroller's Office? (FMM Pages 28-29) If these fees are collected, include in the Note to the Financial Statements for funds not required to be budgeted. If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

___ ___ X

Were pretrial diversion/intervention fees properly collected and accounted for as payments by program participants? (FMM Pages 28-29, Government Code, Section 76.015 (c), Texas Code of Criminal Procedure, Article 102.012) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

X ___ ___

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

X ___ ___

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

___ ___ X

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

___ ___ X

Do action plans exist for all significant findings from previous audits, if applicable, and are action plans current? (Chapter 4, Item 4.05, *Government Auditing Standards*) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

___ ___ X

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Panola

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Quarterly Financial Report

VERSION: 1

CSCD:	Fiscal Year:	Funding Source:	Quarter:	Program:	Last Updated By:	Last Updated On:	Status:
Panola	2015	BS	4	900 - Basic Supervision	jst183	11/17/2015 2:42:10 PM	Finalized

ITEM	CURRENT	Previous Balance
A. Program Fund Balance	\$ 210,776.24	\$ 210,776.24
B. Prior Period Adjustment:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Prior Period Adjustment)</small>		
C. Prior Year Refunds (Basic Supervision Only):	\$ 0	
D. Interfund Transfer:		
[1] Basic Supervision:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Basic Supervision)</small>		
[2] Community Corrections:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Community Corrections)</small>		
E. ADJUSTED FUND BALANCE (A+B+C+D):	\$ 210,776.24	Calculated \$ 210,776.24
REVENUES		
F. State Aid:	\$ 83,255.00	
G. SAFP Payments (Basic Supervision only):	\$ 0	
H. Community Supervision Fees Collected (Basic Supervision only):	\$ 80,299.16	
I. Payments by Program Participants:	\$ 7,880.00	
<small>(notes are required, if a value other than 0 is entered for Payments by Program Participants)</small>		
payments by participants		
J. Interest Income (Basic Supervision only):	\$ 387.72	
K. Other Revenue:	\$ 269.07	
<small>(notes are required, if a value other than 0 is entered for Other Revenue)</small>		
restitution		
L. TOTAL REVENUE (F+G+H+I+J+K):	\$ 172,090.95	Calculated \$ 172,090.95
M. TOTAL FUNDS AVAILABLE (E+L):	\$ 382,867.19	Calculated \$ 382,867.19
EXPENDITURES		
N. Salaries/Fringe Benefits:	\$ 170,013.56	
O. Travel/Furnished Transportation:	\$ 40,035.32	
P. Contract Services for Offenders:	\$ 1,962.75	
Q. Professional Fees:	\$ 3,802.38	
R. Supplies & Operating Expenditures:	\$ 9,254.72	
S. Facilities:	\$ 0	
T. Utilities:	\$ 2,522.29	
U. Equipment:	\$ 3,242.82	
V. TOTAL EXPENDITURES (N+O+P+Q+R+S+T+U):	\$ 230,833.84	Calculated \$ 230,833.84
W. Sub Total (M-V):	\$ 152,033.35	Calculated \$ 152,033.35
X. Refund to CJAD (Enter as negative number, CCP, DP and TAIP only):	\$ 0	
Y. Carryover To Next Quarter (W+X):	\$ 152,033.35	Calculated \$ 152,033.35

Quarterly Financial Report

VERSION: 1

CSCD:	Fiscal Year:	Funding Source:	Quarter:	Program:	Last Updated By:	Last Updated On:	Status:
Panola	2015	CCP	4	1 - Community Service Restitution (CSR)	jst183	11/24/2015 4:36:47 PM	Finalized

ITEM	CURRENT	Previous Balance
A. Program Fund Balance	\$ 15,265.42	\$ 15,265.42
B. Prior Period Adjustment:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Prior Period Adjustment)</small>		
<input type="text"/>		
C. Prior Year Refunds (Basic Supervision Only):	\$ 0	
D. Interfund Transfer:		
[1] Basic Supervision:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Basic Supervision)</small>		
<input type="text"/>		
[2] Community Corrections:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Community Corrections)</small>		
<input type="text"/>		
E. ADJUSTED FUND BALANCE (A+B+C+D):	\$ 15,265.42	Calculated \$ 15,265.42
REVENUES		
F. State Aid:	\$ 8,762.00	
<input type="text"/>		
G. SAFFP Payments (Basic Supervision only):	\$ 0	
H. Community Supervision Fees Collected (Basic Supervision only):	\$ 0	
I. Payments by Program Participants:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Payments by Program Participants)</small>		
<input type="text"/>		
J. Interest Income (Basic Supervision only):	\$ 0	
K. Other Revenue:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Other Revenue)</small>		
<input type="text"/>		
L. TOTAL REVENUE (F+G+H+I+J+K):	\$ 8,762.00	Calculated \$ 8,762.00
M. TOTAL FUNDS AVAILABLE (E+L):	\$ 24,027.42	\$ 24,027.42
EXPENDITURES		
N. Salaries/Fringe Benefits:	\$ 3,640.44	
O. Travel/Furnished Transportation:	\$ 0	
P. Contract Services for Offenders:	\$ 0	
Q. Professional Fees:	\$ 262.82	
R. Supplies & Operating Expenditures:	\$ 0	
S. Facilities:	\$ 0	
T. Utilities:	\$ 0	
U. Equipment:	\$ 0	
V. TOTAL EXPENDITURES (N+O+P+Q+R+S+T+U):	\$ 3,903.26	Calculated \$ 3,903.26
W. Sub Total (M-V):		\$ 20,124.16
X. Refund to CJAD (Enter as negative number, CCP, DP and TAIP only):	\$ (20,124.16)	
Y. Carryover To Next Quarter (W+X):	\$ 0	\$ 0

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Quarterly Financial Report

VERSION: 1

CSCD:	Fiscal Year:	Funding Source:	Quarter:	Program:	Last Updated By:	Last Updated On:	Status:
Panola	2015	CCP	4	8 - Sex Offender Services	jst183	11/24/2015 4:39:01 PM	Finalized

ITEM	CURRENT	Previous Balance
A. Program Fund Balance	\$ 3,058.43	\$ 3,058.43
B. Prior Period Adjustment:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Prior Period Adjustment)</small>		
C. Prior Year Refunds (Basic Supervision Only):	\$ 0	
D. Interfund Transfer:		
[1] Basic Supervision:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Basic Supervision)</small>		
[2] Community Corrections:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Community Corrections)</small>		
E. ADJUSTED FUND BALANCE (A+B+C+D):	\$ 3,058.43	Calculated \$ 3,058.43
REVENUES		
F. State Aid:	\$ 2,620.00	
G. SAFP Payments (Basic Supervision only):	\$ 0	
H. Community Supervision Fees Collected (Basic Supervision only):	\$ 0	
I. Payments by Program Participants:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Payments by Program Participants)</small>		
J. Interest Income (Basic Supervision only):	\$ 0	
K. Other Revenue:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Other Revenue)</small>		
L. TOTAL REVENUE (F+G+H+I+J+K):	\$ 2,620.00	Calculated \$ 2,620.00
M. TOTAL FUNDS AVAILABLE (E+L):	\$ 5,678.43	\$ 5,678.43
EXPENDITURES		
N. Salaries/Fringe Benefits:	\$ 0	
O. Travel/Furnished Transportation:	\$ 0	
P. Contract Services for Offenders:	\$ 2,800.00	
Q. Professional Fees:	\$ 78.60	
R. Supplies & Operating Expenditures:	\$ 0	
S. Facilities:	\$ 0	
T. Utilities:	\$ 0	
U. Equipment:	\$ 0	
V. TOTAL EXPENDITURES (N+O+P+Q+R+S+T+U):	\$ 2,878.60	Calculated \$ 2,878.60
W. Sub Total (M-V):	\$ 2,799.83	\$ 2,799.83
X. Refund to CJAD (Enter as negative number, CCP, DP and TAIP only):	\$ (2,799.83)	
Y. Carryover To Next Quarter (W+X):	\$ 0	\$ 0

Quarterly Financial Reports

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Quarterly Financial Report

VERSION: 1

CSCD:	Fiscal Year:	Funding Source:	Quarter:	Program:	Last Updated By:	Last Updated On:	Status:
Panola	2015	CCP	4	20 - Indirect Services	jst183	11/24/2015 4:39:56 PM	Finalized

ITEM	CURRENT	Previous Balance
A. Program Fund Balance	\$ 3,228.92	\$ 3,228.92
B. Prior Period Adjustment:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Prior Period Adjustment)</small>		
C. Prior Year Refunds (Basic Supervision Only):	\$ 0	
D. Interfund Transfer:		
[1] Basic Supervision:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Basic Supervision)</small>		
[2] Community Corrections:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Community Corrections)</small>		
E. ADJUSTED FUND BALANCE (A+B+C+D):	\$ 3,228.92	Calculated \$ 3,228.92
REVENUES		
F. State Aid:	\$ 12,507.00	
G. SAFPF Payments (Basic Supervision only):	\$ 0	
H. Community Supervision Fees Collected (Basic Supervision only):	\$ 0	
I. Payments by Program Participants:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Payments by Program Participants)</small>		
J. Interest Income (Basic Supervision only):	\$ 0	
K. Other Revenue:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Other Revenue)</small>		
L. TOTAL REVENUE (F+G+H+I+J+K):	\$ 12,507.00	Calculated \$ 12,507.00
M. TOTAL FUNDS AVAILABLE (E+L):	\$ 15,735.92	Calculated \$ 15,735.92
EXPENDITURES		
N. Salaries/Fringe Benefits:	\$ 14,604.01	
O. Travel/Furnished Transportation:	\$ 0	
P. Contract Services for Offenders:	\$ 0	
Q. Professional Fees:	\$ 375.00	
R. Supplies & Operating Expenditures:	\$ 0	
S. Facilities:	\$ 0	
T. Utilities:	\$ 0	
U. Equipment:	\$ 0	
V. TOTAL EXPENDITURES (N+O+P+Q+R+S+T+U):	\$ 14,979.01	Calculated \$ 14,979.01
W. Sub Total (M-V):	\$ 756.91	Calculated \$ 756.91
X. Refund to CJAD (Enter as negative number, CCP, DP and TAIP only):	\$ (756.91)	
Y. Carryover To Next Quarter (W-X):	\$ 0	\$ 0

Quarterly Financial Report

VERSION: 1

CSCD:	Fiscal Year:	Funding Source:	Quarter:	Program:	Last Updated By:	Last Updated On:	Status:
Panola	2015	DP	4	13 - Sex Offender Services (Specialized Caseload)	jst183	11/24/2015 4:40:57 PM	Finalized

ITEM	CURRENT	Previous Balance
A. Program Fund Balance	\$ 2,930.64	\$ 2,930.64
B. Prior Period Adjustment:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Prior Period Adjustment)</small>		
C. Prior Year Refunds (Basic Supervision Only):	\$ 0	
D. Interfund Transfer:		
[1] Basic Supervision:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Basic Supervision)</small>		
[2] Community Corrections:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Community Corrections)</small>		
E. ADJUSTED FUND BALANCE (A+B+C+D):	\$ 2,930.64	Calculated \$ 2,930.64
REVENUES		
F. State Aid:	\$ 11,654.00	
G. SAFP Payments (Basic Supervision only):	\$ 0	
H. Community Supervision Fees Collected (Basic Supervision only):	\$ 0	
I. Payments by Program Participants:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Payments by Program Participants)</small>		
J. Interest Income (Basic Supervision only):	\$ 0	
K. Other Revenue:	\$ 0	
<small>(notes are required, if a value other than 0 is entered for Other Revenue)</small>		
L. TOTAL REVENUE (F+G+H+I+J+K):	\$ 11,654.00	Calculated \$ 11,654.00
M. TOTAL FUNDS AVAILABLE (E+L):	\$ 14,584.64	\$ 14,584.64
EXPENDITURES		
N. Salaries/Fringe Benefits:	\$ 13,269.11	
O. Travel/Furnished Transportation:	\$ 0	
P. Contract Services for Offenders:	\$ 0	
Q. Professional Fees:	\$ 0	
R. Supplies & Operating Expenditures:	\$ 0	
S. Facilities:	\$ 0	
T. Utilities:	\$ 0	
U. Equipment:	\$ 0	
V. TOTAL EXPENDITURES (N+O+P+Q+R+S+T+U):	\$ 13,269.11	Calculated \$ 13,269.11
W. Sub Total (M-V):		\$ 1,315.53
X. Refund to CJAD (Enter as negative number, CCP, DP and TAIP only):	\$ (1,315.53)	
Y. Carryover To Next Quarter (W-X):	\$ 0	\$ 0

[Click here to create a QFR for a different program \[same CSCD, Year, Quarter, Funding Source\]](#)

STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2015

CSCD:**ASSETS**

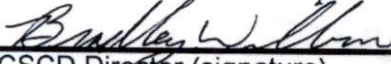
CASH	83,834.10	
CERTIFICATES OF DEPOSIT	100,000.00	
ACCOUNTS RECEIVABLE		
Supervision Fees	<u>37,988.71</u>	
Due from CJAD	<u>-</u>	
Other	<u> </u>	
TOTAL ASSETS		<u><u>\$ 221,822.81</u></u>

LIABILITIES

ACCOUNTS PAYABLE		
Basic Supervision	<u>41235.8</u>	
Community Corrections	<u>27220.99</u>	
Diversion Programs	<u>1332.67</u>	
TAIP	<u> </u>	
TOTAL LIABILITIES		<u><u>\$ 69,789.46</u></u>

FUND BALANCES

Basic Supervision	<u>152033.35</u>	
Community Corrections	<u>0</u>	
Diversion Programs	<u>0</u>	
TAIP	<u> </u>	
TOTAL FUND BALANCES		<u><u>\$ 152,033.35</u></u>
TOTAL FUND BALANCES AND LIABILITIES		<u><u>\$ 221,822.81</u></u>


CSCD Director (signature)

11-30-15
DATE


Fiscal Officer (signature)

11-30-15
DATE