

**GRAYSON COUNTY
COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED AUGUST 31, 2012

WITH INDEPENDENT AUDITORS' REPORT

**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

YEAR ENDED AUGUST 31, 2012

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

INDEPENDENT AUDITORS' REPORT

Grayson County Community
Supervision and Corrections Department
Grayson County, Texas

We have audited the accompanying combined financial statements of the Grayson County Community Supervision and Corrections Department, and the combining and individual funds of the Grayson County Community Supervision and Corrections Department, as of and for the year ended August 31, 2012, as listed in the table of contents. These financial statements are the responsibility of the management of the Grayson County Community Supervision and Corrections Department. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements are prepared using the prescribed basis of accounting that demonstrates compliance with Texas Department of Criminal Justice – Community Justice Assistance Division's (TDCJ-CJAD's) financial reporting requirements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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

In our opinion, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Grayson County Community Supervision and Corrections Department, as of August 31, 2012, and the results of its operations for the year then ended, in conformity with the basis of accounting described in the Notes. Also, in our opinion, the combining and individual funds referred to above present fairly, in all material respects, the financial position of each of the individual funds of the Grayson County Community Supervision and Corrections Department, as of August 31, 2012, and the results of operations of such funds for the year then ended in conformity with the basis of accounting described in the notes.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 29, 2013, on our consideration of Grayson County Community Supervision and Corrections Department's internal control structure over financial reporting and a report dated on April 29, 2013 on our tests of its compliance with certain provisions of laws and regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the management, others within the organization, the Grayson County Community Supervision and Corrections Department, and the Texas Department of Criminal Justice – Community Justice Assistance Division and is not intended to be and should not be used by anyone other than these specified parties.

Pattillo, Brown & Hill, L.L.P.

April 29, 2013

**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

COMBINED STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2012

ASSETS	<u>Basic Supervision</u>	<u>Community Corrections</u>	<u>Diversion Program</u>	<u>Treatment Alternatives to Incarceration</u>	<u>Total</u>
Cash and investments					
Bank balances	\$ 306,184	\$ 1,289	\$ 2,219	\$ 1,370	\$ 311,062
Investments	<u>811,491</u>	<u>3,416</u>	<u>5,880</u>	<u>3,630</u>	<u>824,417</u>
Total cash and investments	<u>1,117,675</u>	<u>4,705</u>	<u>8,099</u>	<u>5,000</u>	<u>1,135,479</u>
 Total assets	 <u>\$ 1,117,675</u>	 <u>\$ 4,705</u>	 <u>\$ 8,099</u>	 <u>\$ 5,000</u>	 <u>\$ 1,135,479</u>
 LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ <u>74,742</u>	\$ <u>4,705</u>	\$ <u>8,099</u>	\$ <u>5,000</u>	\$ <u>92,546</u>
Total liabilities	<u>74,742</u>	<u>4,705</u>	<u>8,099</u>	<u>5,000</u>	<u>92,546</u>
 Fund Balance	 <u>1,042,933</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>1,042,933</u>
 Total liabilities and Fund balance	 <u>\$ 1,117,675</u>	 <u>\$ 4,705</u>	 <u>\$ 8,099</u>	 <u>\$ 5,000</u>	 <u>\$ 1,135,479</u>

The accompanying notes are an integral part of these financial statements

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**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

FOR THE YEAR ENDED AUGUST 31, 2012

	Basic Supervision	Community Corrections	Diversion Program	Treatment Alternatives to Incarceration	Total
REVENUE					
State aid	\$ 535,597	\$ 181,052	\$ 221,900	\$ 83,300	\$ 1,021,849
State aid: SAFFP	13,515	-	-	-	13,515
Community supervision fees	1,213,866	-	-	-	1,213,866
Payments by program participants	55,642	-	-	-	55,642
Interest income	2,439	-	-	-	2,439
Other revenue	4,258	-	-	-	4,258
Total revenue	<u>1,825,317</u>	<u>181,052</u>	<u>221,900</u>	<u>83,300</u>	<u>2,311,569</u>
EXPENDITURES					
Salaries and fringe benefits	1,159,345	147,123	217,181	-	1,523,649
Travel and furnished transportation	13,294	4,533	-	-	17,827
Contract services	20,945	-	11,783	74,800	107,528
Professional fees	67,598	1,358	1,665	5,625	76,246
Supplies and operating expenses	17,062	32,567	7,082	2,875	59,586
Utilities	504	-	-	-	504
Equipment	13,691	-	-	-	13,691
Total expenditures	<u>1,292,439</u>	<u>185,581</u>	<u>237,711</u>	<u>83,300</u>	<u>1,799,031</u>
EXCESS OF REVENUE OVER (UNDER)					
EXPENDITURES	532,878	(4,529)	(15,811)	-	512,538
FUND BALANCE, SEPTEMBER 1, 2011	641,879	-	-	-	641,879
PRIOR YEAR REFUND	(111,484)	-	-	-	(111,484)
INTERFUND TRANSFER IN (OUT)	<u>(20,340)</u>	<u>4,529</u>	<u>15,811</u>	<u>-</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2012	<u>\$ 1,042,933</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,042,933</u>

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

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**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

ALL DIVERSION PROGRAM FUNDS

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

FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Mentally Challenged Specialized Caseload</u>	<u>Outpatient Substance Abuse Program</u>	<u>Total</u>
REVENUE			
State aid	\$ 33,147	\$ 188,753	\$ 221,900
Total revenue	<u>33,147</u>	<u>188,753</u>	<u>221,900</u>
EXPENDITURES			
Salaries and fringe benefits	43,344	173,837	217,181
Contract services	-	11,783	11,783
Professional fees	249	1,416	1,665
Supplies and operating expenses	-	7,082	7,082
Total expenditures	<u>43,593</u>	<u>194,118</u>	<u>237,711</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(10,446)	(5,365)	(15,811)
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	<u>10,446</u>	<u>5,365</u>	<u>15,811</u>
FUND BALANCE, AUGUST 31, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

BASIC SUPERVISION

FOR THE YEAR ENDED AUGUST 31, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State aid	\$ 535,597	\$ 535,597	\$ -
State aid: SAFPF	-	13,515	13,515
Community supervision fees	974,426	1,213,866	239,440
Payments by program participants	-	55,642	55,642
Interest income	2,265	2,439	174
Other revenue	-	4,258	4,258
Total revenue	1,512,288	1,825,317	313,029
EXPENDITURES			
Salaries and fringe benefits	1,353,771	1,159,345	194,426
Travel and furnished transportation	112,500	13,294	99,206
Contract services	65,500	20,945	44,555
Professional fees	114,017	67,598	46,419
Supplies and operating expenses	132,596	17,062	115,534
Utilities	3,000	504	2,496
Equipment	9,999	13,691	(3,692)
Total expenditures	1,791,383	1,292,439	498,944
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(279,095)	532,878	811,973
FUND BALANCE, SEPTEMBER 1, 2011	300,000	641,879	341,879
PRIOR YEAR REFUND	-	(111,484)	(111,484)
INTERFUND TRANSFER IN (OUT)	(20,905)	(20,340)	565
FUND BALANCE, AUGUST 31, 2012	\$ -	\$ 1,042,933	\$ 1,042,933

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

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**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

**COMMUNITY CORRECTIONS PROGRAM
INTENSIVE SUPERVISION PROGRAM**

FOR THE YEAR ENDED AUGUST 31, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State aid	\$ 181,052	\$ 181,052	\$ -
Total revenue	181,052	181,052	-
EXPENDITURES			
Salaries and fringe benefits	146,745	147,123	(378)
Travel & Furnished Transportation	4,533	4,533	-
Professional fees	1,358	1,358	-
Supplies and operating	32,949	32,567	382
Total expenditures	185,585	185,581	4
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(4,533)	(4,529)	4
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	4,533	4,529	(4)
FUND BALANCE, AUGUST 31, 2012	\$ -	\$ -	\$ -

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

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**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

**DIVERSION PROGRAM
MENTALLY CHALLENGED SPECIALIZED CASELOAD**

FOR THE YEAR ENDED AUGUST 31, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State aid	\$ 33,147	\$ 33,147	\$ -
Total revenue	33,147	33,147	-
EXPENDITURES			
Salaries and fringe benefits	43,893	43,344	549
Professional fees	249	249	-
Total expenditures	44,142	43,593	549
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(10,995)	(10,446)	549
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	10,995	10,446	(549)
FUND BALANCE, AUGUST 31, 2012	\$ -	\$ -	\$ -

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

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**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

**DIVERSION PROGRAM
OUTPATIENT SUBSTANCE ABUSE PROGRAM**

FOR THE YEAR ENDED AUGUST 31, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State aid	\$ 188,753	\$ 188,753	\$ -
Total revenue	188,753	188,753	-
EXPENDITURES			
Salaries and fringe benefits	173,850	173,837	13
Contract services	11,783	11,783	-
Professional fees	1,416	1,416	-
Supplies and operating expenses	7,081	7,082	(1)
Total expenditures	194,130	194,118	12
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(5,377)	(5,365)	12
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	5,377	5,365	(12)
FUND BALANCE, AUGUST 31, 2012	\$ -	\$ -	\$ -

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

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**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

**TREATMENT ALTERNATIVES TO
INCARCERATION PROGRAM**

FOR THE YEAR ENDED AUGUST 31, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State aid	\$ 83,300	\$ 83,300	\$ -
Total revenue	83,300	83,300	-
EXPENDITURES			
Contract services	74,800	74,800	-
Professional fees	5,625	5,625	-
Supplies and operating expenses	2,875	2,875	-
Total expenditures	83,300	83,300	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES			
	-	-	-
FUND BALANCE, SEPTEMBER 1, 2011			
	-	-	-
FUND BALANCE, AUGUST 31, 2012			
	\$ -	\$ -	\$ -

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

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**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Basis of Accounting

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

The modified accrual basis of accounting is followed in that revenues are recorded when susceptible to accrual; i.e., earned, measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities for the current period. Revenues received by October 31, 2012 for financial activity performed by August 31, 2012, are considered available. Also purchases for which the commitment has been established by August 31, 2012, are considered liabilities regardless of whether possession of these goods has been received by August 31, 2012, provided that the liability purchase is received and is paid for by October 31, 2012. Exception to this method of accounting is the recording of refunds to the State as reductions of Fund Balance.

(continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Budgets (Accounting and Legal Compliance)

The budgets governing the funding to the programs are approved by the district judges and the criminal court-at-law judges with jurisdiction over the department in an open meeting and by the Texas Department of Criminal Justice - Community Justice Assistance Division. Only budget adjustment requests, at year end, received by September 28, 2012 will be reviewed and approved/disapproved by TDCJ-CJAD. TDCJ-CJAD will not accept any budget adjustments after September 28, 2012 for the previous fiscal year. Only budget adjustments approved by TDCJ-CJAD are referred to in performing the financial audit.

Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized. All encumbrances not liquidated by October 31, 2011 were subject to refund to the State when required. All encumbrances not liquidated by October 31, 2012 became part of the subsequent year's budget.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Accrued sick pay benefits are lost upon termination. A liability for vacation and sick leave is not recorded in these financial statements.

2. **FUNDING SOURCES – STATE AID**

Basic Supervision Fund

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

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

(continued)

2. **FUNDING SOURCES – STATE AID (Continued)**

Community Corrections (CC) Program Fund

This appropriation line item is allocation based. The funding is based on two equally assigned factors: the percentage of the state's population residing in the counties served by the Department and the percentage of all felony defendants in the state under direct community supervision by the Department. CSCDs are the only entities eligible for Community Corrections funds. The Texas Board of Criminal Justice rule, pursuant to Government Code, Chapter 509, Section 509.011 (f), creates a fixed 5% decrease limit between fiscal years. An upper limit is determined mathematically by available funding and the size and number of departments that reach the decrease limit. In the event that appropriations are inadequate to maintain all of the departments at the decrease limit, all allocations will be reduced proportionally relative to the previous fiscal year.

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

- Intensive Supervision Program

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. Diversion Program funds shall not be used for Basic Supervision services.

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

- Outpatient Substance Abuse

The Outpatient Substance Abuse Program is funded via a grant from TDJC-CJAD Diversion Program. The program funds a Licensed Chemical Dependency Counselor or Qualified Counselor to perform screening and assessment of probationers suspected of having a substance abuse disorder. The balance of the funds are used to purchase outpatient abuse services, both in individual and group modalities.

(continued)

2. FUNDING SOURCES – STATE AID (Continued)

Diversion Program (DP) Grant Funds (Continued)

- Mentally Challenged Specialized Caseload

The Mentally Challenged Specialized Caseload Program is funded via a grant from TDJC-CJAD Diversion Program. This grant is paired with a grant from TDJC-Texas Correctional Office on Offenders with Medical or Mental Impairments to the Texoma Community Center. The Texoma Community Center and the CSCD coordinate on identifying probationers with mental health Axis 1 diagnosis of Schizophrenia, Bipolar Disorder, or Major Depression as defined by the Diagnostic Statistical Manual Version IV. The program is designed to provide intense but supportive care in order to avoid the need to revoke these offenders to the Correctional Institute Division.

Treatment Alternative to Incarceration Programs (TAIP) Grant Fund

This discretionary appropriation substance abuse funding is awarded on a competitive basis. The priorities for distribution are determined biennially. All requests are reviewed by TDCJ-CJAD staff, approved by management and then presented to the Judicial Advisory Council. TAIP funds shall not be used for Basic Supervision services. In accordance with Chapter 76 of the Government Code, TDCJ-CJAD establishes standards of operation for funding the CSCDs with the Treatment Alternative to Incarceration Program (TAIP). The Grayson County CSCD makes an annual application for grant funds from the Community Justice Assistance Division. As a part of the application process, the Department enters into a contract with the Community Justice Assistance Division. The contract places specific restrictions on the use of grant funds and requires, among other things, an annual audit of contract revenue and expenditures. For the fiscal year ended August 31, 2012, the Department received \$83,300 under the Treatment Alternative to Incarceration Program Grant.

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

The Department utilized the following funds collected from sources other than TDCJ-CJAD which are required to be reported for the year ended August 31, 2012:

Source	Amount Received	Restrictions for Use	Expended in Accordance with Restrictions
Community Supervision Fees	\$ 1,213,866	<i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions	Yes
Payments by Program Participants	55,642	<i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions	Yes
Interest Income	2,439	<i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions	Yes
Other Revenue	4,258	<i>Financial Management Manual for TDCJ-CJAD Funding</i> restrictions	Yes

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

4. FUNDS COLLECTED BY THE CSCD FROM SOURCES OTHER THAN TDCJ-CJAD WHICH ARE NOT REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS (civil fees, victim restitution funds, federal grants, bond supervision funds, grants from sources other than TDCJ-CJAD, etc.)

The Department utilized the following funds collected from sources other than TDCJ-CJAD which are not required to be reported for the year ended August 31, 2012:

Source	Amount Received	Restrictions for Use	Expended in Accordance with Restrictions	Fund Balance
Victim Restitution	\$ 502,673	Paid directly to victim within certain timelines	Yes	\$ 28,721
Bond Supervision	26,436	CJAD-PS-09	Yes	41,550
Attorney Fees	42,202	Paid directly to County Treasurer	Yes	-

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 account within the time frames listed in Local Government Code 113.022. All CSCD funds must be in the county treasury and must be disbursed by the County Treasurer.

The Department does not maintain a petty cash account.

Idle funds to be invested, if any, shall only be within the depository of the county in a manner that protects the integrity of the principal and guarantees no loss of principal to the CSCD.

6. EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL PROGRAMS

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

7. ACCOUNTS AND INTERFUND TRANSFER RECEIVABLE AND PAYABLE AT AUGUST 31, 2012

There were no interfund receivable or payable balances at August 31, 2012.

8. VENDOR CONTRACTS FOR OFFENDER SERVICES

Vendors for offender service contracts with the County with a value of \$100,000 or above are listed below. The County has entered a valid contract or contracts with all vendors listed per the *Contract Management Manual for TDCJ-CJAD Funding of Offender Services (CMM)*.

<u>Vendor name</u>	<u>Contract Amount</u>
Alcoholic Services of Texoma, Inc.	\$ 200,000

9. COMMITMENTS AND CONTINGENCIES

The Department is contingently liable in respect to lawsuits and other claims in the ordinary course of its operations. The potential settlement (if any) of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and in the opinion of Department management would not materially affect the financial position of the Department at August 31, 2012.

10. PRIOR PERIOD ADJUSTMENTS

The Department had no material prior period adjustments that require disclosure.

11. OTHER

The Department has no other notes as deemed appropriate.

12. SUBSEQUENT EVENTS

The Department has no subsequent events that require disclosure.

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SUPPLEMENTARY SCHEDULES

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**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

BASIC SUPERVISION

FOR THE YEAR ENDED AUGUST 31, 2012

	Audit	Per CSCD Report	Difference
REVENUE			
State aid	\$ 535,597	\$ 535,597	\$ -
State aid: SAFPF	13,515	13,515	-
Community supervision fees	1,213,866	1,213,866	-
Payments made by program participants	55,642	55,642	-
Interest income	2,439	2,439	-
Other revenue	4,258	4,258	-
Total revenue	1,825,317	1,825,317	-
EXPENDITURES			
Salaries and fringe benefits	1,159,345	1,159,345	-
Travel and furnished transportation	13,294	13,294	-
Contract services	20,945	20,945	-
Professional fees	67,598	67,598	-
Supplies and operating expenses	17,062	17,062	-
Utilities	504	504	-
Equipment	13,691	13,691	-
Total expenditures	1,292,439	1,292,439	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	532,878	532,878	-
FUND BALANCE, SEPTEMBER 1, 2011	641,879	641,879	-
PRIOR YEAR REFUND	(111,484)	(111,484)	-
INTERFUND TRANSFER IN (OUT)	(20,340)	(20,340)	-
FUND BALANCE, AUGUST 31, 2012	\$ 1,042,933	\$ 1,042,933	\$ -

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**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

**COMMUNITY CORRECTIONS PROGRAM
INTENSIVE SUPERVISION PROGRAM**

FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 181,052	\$ 181,052	\$ -
Total revenue	<u>181,052</u>	<u>181,052</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	147,123	147,123	-
Travel & Furnished Transportation	4,533	4,533	-
Professional fees	1,358	1,358	-
Supplies and operating	<u>32,567</u>	<u>32,567</u>	<u>-</u>
Total expenditures	<u>185,581</u>	<u>185,581</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(4,529)	(4,529)	-
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	<u>4,529</u>	<u>4,529</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

**DIVERSION PROGRAM
MENTALLY CHALLENGED SPECIALIZED CASELOAD**

FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 33,147	\$ 33,147	\$ -
Total revenue	<u>33,147</u>	<u>33,147</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	43,344	43,344	-
Professional fees	<u>249</u>	<u>249</u>	<u>-</u>
Total expenditures	<u>43,593</u>	<u>43,593</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(10,446)	(10,446)	-
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	<u>10,446</u>	<u>10,446</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

**DIVERSION PROGRAM
OUTPATIENT SUBSTANCE ABUSE PROGRAM**

FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 188,753	\$ 188,753	\$ -
Total revenue	<u>188,753</u>	<u>188,753</u>	<u>-</u>
EXPENDITURES			
Salaries and fringe benefits	173,837	173,837	-
Contract services	11,783	11,783	-
Professional fees	1,416	1,416	-
Supplies and operating expenses	<u>7,082</u>	<u>7,082</u>	<u>-</u>
Total expenditures	<u>194,118</u>	<u>194,118</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(5,365)	(5,365)	-
FUND BALANCE, SEPTEMBER 1, 2011	-	-	-
INTERFUND TRANSFER IN (OUT)	<u>5,365</u>	<u>5,365</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

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

**TREATMENT ALTERNATIVES TO
INCARCERATION PROGRAM**

FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Audit</u>	<u>Per CSCD Report</u>	<u>Difference</u>
REVENUE			
State aid	\$ 83,300	\$ 83,300	\$ -
Total revenue	<u>83,300</u>	<u>83,300</u>	<u>-</u>
EXPENDITURES			
Contract services	74,800	74,800	-
Professional fees	5,625	5,625	-
Supplies and operating expenses	<u>2,875</u>	<u>2,875</u>	<u>-</u>
Total expenditures	<u>83,300</u>	<u>83,300</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES			
	-	-	-
FUND BALANCE, SEPTEMBER 1, 2011			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, AUGUST 31, 2012			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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COMPLIANCE SECTION

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Grayson County Community
Supervision and Corrections Department
Grayson County, Texas
Georgetown, Texas

We have audited the financial statements of the Grayson County Community Supervision and Corrections Department, as of and for the year ended August 31, 2012, and have issued our report thereon dated April 29, 2013. We conducted our audit in accordance with generally accepted auditing standards and the *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grayson 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 grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. The tests performed provide sufficient, appropriate evidence to support the results of our testing. 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*.

Internal Control Over Financial Reporting

Management of Grayson County Community Supervision and Corrections Department is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Grayson County Community Supervision and Corrections Department's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grayson County Community Supervision and Corrections Department's internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness.

Internal Control Over Financial Reporting (Continued)

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 condition in which the design or operation of one or more of the internal control components does not reduce the to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management, others within the organization, Grayson County Community Supervision and Corrections Department, and the Texas Department of Criminal Justice-Community Justice Assistance Division and is not intended to be and should not be used by anyone other than these specified parties.

Patricia Brown; Hill, L.L.P.

April 29, 2013

**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2012

Findings:

None

**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

SCHEDULE OF PRIOR FISCAL YEAR FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2012

Findings:

None

**GRAYSON COUNTY COMMUNITY SUPERVISION
AND CORRECTIONS DEPARTMENT**

FISCAL YEAR 2012 TDCJ-CJAD COMPLIANCE CHECKLIST

FOR THE YEAR ENDED AUGUST 31, 2012

Indicate whether these compliance requirements have been met by answering “Yes,” “No,” or “NA” (Not Applicable).

- Yes Is separate accountability maintained for TDCJ-CJAD funds; i.e., fund accounting? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are Revenues and Expenditures reported to TDCJ-CJAD in agreement with, or reconcilable to, the funding recipient’s accounting records and with audited expenditures in each budget category? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA Was an explanation given in the Notes to the financial statements for changes made to Revenues and Expenditures reported to TDCJ-CJAD? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are TDCJ-CJAD funds and locally generated revenues expended in accordance with the *Financial Management Manual for TDCJ-CJAD Funding (FMM)*, TDCJ-CJAD Standards, TDCJ-CJAD Field Correspondence, TDCJ-CJAD Policy Statements, Standard and Special Grant Conditions, and applicable laws? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are proper cutoff procedures observed at the end of each fiscal period? The cutoff date for revenues recognition and expenditures payments of FY 2012 is October 31, 2012.
- Yes Is the modified accrual basis of accounting used in preparing the fourth quarter reports for submission to TDCJ-CJAD? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA Are expenditures that benefit both juveniles and adults prorated on an equitable basis? Is determination of the method of prorating such expenditures supported by adequate documentation? (*FMM* Page 26) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs. The CSCD is to provide a copy of the FY 2012 Time Study to TDCJ-CJAD along with the audit report.
- Yes Are TDCJ-CJAD funds not used to pay judges’ salaries (unless specifically approved by TDCJ-CJAD in a Program Budget; i.e., DWI Courts), community justice council members’ salaries, or other court-related expenses? If any of these salaries are paid, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are expenditures and revenues supported by adequate documentation? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

- Yes If the CSCD determines that an increase or decrease in revenue or expenditures is required, were budget adjustments submitted to TDCJ-CJAD, by September 28, 2012, and in accordance with the *Financial Management Manual for TDCJ-CJAD Funding?* (FMM Pages 8-10) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are idle funds, if any, invested? (FMM Page 7) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are all employees with access to funds covered by a surety bond? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are locally generated funds, and other collections, documented with a proper receipt system, and can they be traced to bank deposits and statements? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are all non-TDCJ-CJAD funded program fees expended in accordance with applicable limitations; i.e., civil fees, Federal grants, bond fees, etc.? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Is equipment physically inventoried and adequately supported with an inventory form?
- Yes Is surplus equipment disposed of in accordance with TDCJ-CJAD guidelines? (FMM Page 24) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are Victim Restitution Funds accounted for in accordance with Vernon's Texas Codes Annotated Government Code, Section 76.013, and are unclaimed funds tracked for the required five-year period prior to sending to the State Comptroller? (FMM Page 28) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Have TDCJ-CJAD policies regarding contracts with vendors been followed, which includes maintaining a Contract Monitoring Plan (policy) to monitor vendor payments and compliance with contracts? (CMM and Pages 9-10 of these Guidelines) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Does the CSCD have a policy regarding eligibility for employee salary merit increases, if merit or one-time increases are given? (FMM Page 46) If such increases are given without a written policy, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Do purchases adhere to the requirements of the Vernon's Texas Codes Annotated Local Government Code, Section 262.023, regarding competitive bids? (FMM Pages 35-36) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Does the CSCD have an existing policy on budget approval, operate by the policy, and the policy has been approved in an open meeting by the judges charged with oversight of the CSCD (Government Code, Section 76.002, and the *Financial Management Manual for TDCJ-CJAD Funding* (FMM Pages 8-10)). If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

- NA If the CSCD allows offenders to pay a fee 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.
- Yes Are all of the CSCD's funds and collections deposited in the county treasury within the time period required by Local Government Code 113.022 and disbursed by the county treasurer on behalf of the CSCD? (*FMM* Pages 7-8; Government Code, Section 509.011; Local Government Code, Section 140.003 (f); and Attorney General's Opinion DM-257, dated September 15, 1993) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA Are petty cash funds authorized by the county auditor or fiscal officer? (*FMM*, Pages 7-8, 20 and 34) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA Are petty cash funds used only for specific purposes for allowable items as listed in the *Financial Management Manual for TDCJ-CJAD Funding* and expended only for emergency situations authorized by a written policy and approved by the CSCD director? (*FMM*, Pages 7-8, 20 and 34) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA Are items that can reasonable be secured through the purchasing system not purchased from petty cash? (*FMM*, Pages 7-8 and 20) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are Personal Bond, Surety Bond, Bail and Certain Other Supervision expenses relating to CSCD employees supervising these cases paid from the administrative fees set in Article 76.015(c) of the Government Code, as amended; i.e., salaries, fringe benefits, travel, supplies, equipment, etc., paid from these fees? Are these expenses not being paid from state funds, including local fee collections, which are in the TDCJ-CJAD budgets? If a CSCD employee (or more than one employee whose cumulative time is not over 10% of one full-time equivalent position) spends no more than 10% of his/her time on the Bond/Other Supervision Program activities, separation of expenses is considered immaterial and is not required. However, all revenue generated from bond supervision fees must be accounted for separately in a local budget. Is this being properly captured? (*FMM* Pages 20-21 and TDCJ-CJAD Policy Statement No. CJAD-PS-09) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA With prior TDCJ-CJAD approval, CSCDs may use Basic Supervision, CC, DP, or TAIP funds as required cash matching for grants from other governmental agencies, non-profit organizations, or private foundations, etc., for the purpose of expanding an existing program. Was cash matching properly authorized, budgeted, and expended? (*FMM* Pages 21-22) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes The Texas Code of Criminal Procedure, Article 42.12, Section 19 (e) requires as a condition of probation that certain sex offenders pay \$5.00 per month per convicted offense 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 not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.

- NA Article 42.12, Section 11 (a) (18), Code of Criminal Procedure authorizes the court to order a defendant, as a condition of community supervision, to reimburse the Crime Victims' Compensation Fund for any amounts paid from that fund to a victim of the defendant's offense or, if no reimbursement is required, make one payment to the fund in an amount not to exceed \$50 if the offense is a misdemeanor or not to exceed \$100 if the offense is a felony. If these fees were collected, were they remitted to the State Comptroller in compliance with the timelines outlined by the State Comptroller's Office? (*FMM* Pages 28-29) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA Were pretrial intervention fees properly collected and accounted for? (*FMM* Pages 28-29, Government Code, Section 76.015 (c), Texas Code of Criminal Procedure, Article 102.012) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Is there proper identification on motor vehicles that are issued exempt license plates? (*FMM* Pages 29-30, Transportation Code, Chapter 721) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- NA 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.
- Yes Are payments to a Children's Advocacy Center properly collected and accounted for, if court ordered? (*FMM* Page 30, Code of Criminal Procedure, Article 42.12, Section 11 (g)) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Are payments to a Family Violence Shelter Center properly collected and accounted for, if court ordered? (*FMM* Page 31, Code of Criminal Procedure, Article 42.12, Section 11 (h)) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Did the Fiscal Officer follow the applicable laws, guidelines, and duties as specified on Pages 31-35 of the *Financial Management Manual for TDCJ-CJAD Funding*? If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes If there were negative fund balances in programs at fiscal year end, were they covered by interfund transfers as described in the *Financial Management Manual*? (*FMM* Pages 33-34) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Were purchasing laws followed as directed in accordance with the same procedures applicable to a county? (Texas Local Government Code 140.003, *FMM* Pages 3536) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- Yes Do action plans exist for all significant findings from previous audits, and are action plans current? (Chapter 4, Item 4.05, *Government Auditing Standards*) If not, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.
- No Were any instances of fraud, non-compliance, waste, or abuse noted by the auditor (Chapter 4, Item 4.25, *Government Auditing Standards*)? If yes, explain in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs.