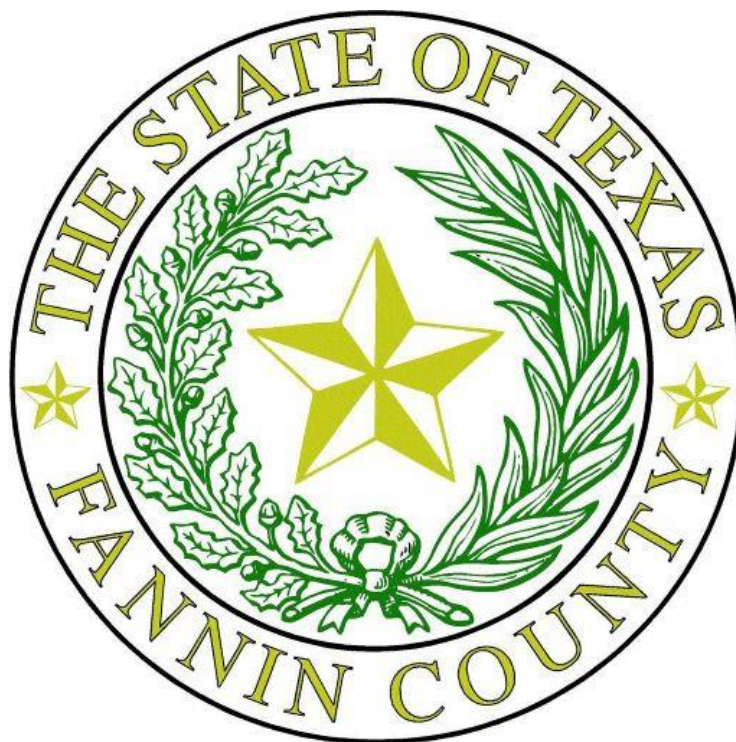


FANNIN COUNTY INTERNAL AUDITOR'S REPORT

FANNIN COUNTY DISTRICT ATTORNEY

September 1, 2024 - August 31, 2025



January 30th, 2026
Alicia Whipple
Fannin County Auditor

Michael Barker
Fannin County Assistant Auditor
Internal Audits



OFFICE OF THE
COUNTY AUDITOR
101 E Sam Rayburn Dr. Suite 301
Bonham, TX 75418
(903) 583-7451

January 30th, 2026

Honorable John Skotnik, Fannin County District Attorney
Honorable Commissioners Court of Fannin County

Re: Internal Auditor's Report – Review of Financial and System Controls, District Attorney's hot check and seizure fund matters.

INTRODUCTION

The Internal Audit Division performed a review of the District Attorney's Office in accordance with the authority granted under Texas Local Government Code §115. The review focused specifically on the financial activity and administrative controls related to the hot check program and asset seizure funds. While financial records, reports, and supporting documentation were examined, this engagement did not constitute a comprehensive audit of every transaction.

The objectives of this audit were to provide reasonable assurance regarding:

1. Accuracy and consistency of financial data
2. Protection of assets
3. Proper receipting and timely deposit of all funds in compliance with statutory requirements
4. Accurate fee assessment and statutory compliance for recorded instruments
5. Adequacy of internal controls over financial transactions
6. Compliance with applicable legal and regulatory requirements

The District Attorney bond was reviewed for compliance with Government Code §51.032.

The Texas Association of Counties requires district attorneys to attain 15 hours of continuing education for every 12-month period. We are unable to confirm if the district attorney is in compliance with this requirement as proof of this education was not provided as requested.

Due to the fact that not every transaction was thoroughly examined during the internal audit, there is a possibility that errors or fraud were overlooked. As a result, the official is responsible for ensuring that the financial data is complete and accurate.

BACKGROUND

The office of the District Attorney in Texas was first established by the Constitution of 1836, during the era of the Republic of Texas. The primary purpose of a District Attorney (DA) is to represent the State of Texas in criminal cases and ensure that justice is served. According to the Texas Code of Criminal Procedure, a prosecutor's duty is "not to convict, but to see that justice is done". The core responsibilities of the Texas District Attorney's office consist of Criminal Prosecution, Law Enforcement Collaboration, Victim and Community Support, Civil and Administrative Duties, and Policy and Reform.

The District Attorney's Office also represents local jurisdictions in civil matters related to seized property and funds associated with criminal activity. When law enforcement agencies seek to obtain ownership of seized assets, the civil division of the District Attorney's Office must obtain court authorization through forfeiture proceedings. Funds and property remain restricted until a judge issues a forfeiture order. Distribution of forfeited proceeds is governed by written agreements between participating agencies,

including the District Attorney and Sheriff.

EXAMINATION METHODOLOGY

Audit procedures included analytical review, sampling, and testing of financial records and internal controls. Sampling techniques were used and, therefore, do not necessarily disclose all errors, weaknesses, or misstatements that may exist.

OBSERVATIONS AND RECOMMENDATIONS

1. Hot Check Fee Test

The District Attorney may collect a reimbursement fee if the attorney's office collects and processes a check as defined by Section 1.07, Penal Code, and the check has been issued or passed in a manner that makes the issuance or passing an offense under Section 31.03-.04 and Section 32.41 of the Penal Code. The amount of the reimbursement fee is determined by the face amount of the check or sight order. As of 2026, the statutory reimbursement fees the office may collect per check include:

- \$10 if the check face amount is \$10 or less.
- \$15 if greater than \$10 but not exceeding \$100.
- \$30 if greater than \$100 but not exceeding \$300.
- \$50 if greater than \$300 but not exceeding \$500.
- \$75 if the face amount is greater than \$500

Comment:

The auditor's office reviewed 20 cases to check if the correct check, admin and merchant fees were charged and receipted for each hot check case. All fees and receipts reviewed for these cases were correct per statute guidelines.

2. Deposits/Receipts Review

Under Texas Local Government Code § 113.022, any county officer who receives money must adhere to the following deposit schedule: **Standard Deadline:** Money should be deposited with the county treasurer by the next regular business day after receipt. **Maximum Grace Period:** If the next-day deadline cannot be met, the money must be deposited no later than the fifth business day after receipt. For counties under 50,000 the commissioners court may extend the deadline to 15 days.

We reviewed 25 deposits made by the District Attorney's office. All deposits reviewed were deposited within the necessary time frame. All receipts issued matched deposits and disbursements that were processed by the District Attorney's office during the audit period.

3. Seizure Fund Expenditure Review

Expenditures from forfeiture funds were reviewed to confirm that they were used solely for authorized law enforcement purposes and were not applied toward personal expenses, promotional items, or budget replacement activities. Testing did not identify any expenditures that violated statutory restrictions. No exceptions were noted

4. Chapter 59 Report

The Auditor's Office reviewed the FY2025 Chapter 59 Asset Forfeiture Report covering the period from September 1, 2024 through August 31, 2025. State law requires an audited report to be submitted annually documenting all seizures, forfeitures, receipts, and expenditures associated with Chapter 59 activity.

During FY2025, the District Attorney's Office reported total revenues of \$12,083.71, including forfeiture proceeds, interest earnings, and auction revenue. Reported expenditures totaled \$1,559.60. Based on the procedures performed, the amounts presented appear reasonable and the report contains the information required by statute.

Attached to be received and filed is the **Audited FY 2025 Chapter 59 Asset Forfeiture Report** of the District Attorney's Office. Reports submitted by attorneys representing the state are due to the Office of the Attorney General within sixty (60) days following the end of the state fiscal year (October 31). Reports filed by law enforcement agencies are due within sixty (60) days after the county fiscal year ends (November 30). The District Attorney's report was electronically submitted on November 12, 2025, which exceeded the statutory deadline

CLOSING REMARKS

Our review was conducted on a test basis and was not designed to identify all deficiencies in internal control. We did not test compliance with all laws and regulations applicable to the Fannin County District Attorney. Testing was limited to controls and regulations that have a direct and material effect on financial reporting of state forfeiture funds. District Attorney's administration is responsible for the establishment and maintenance of effective internal control and compliance with applicable laws, regulations, and contracts including the tracking of assets in accordance with UGMS 2 CFR Section 215.34.

This report is intended solely for the information and use of the Fannin County District Attorney's Office and the Commissioners' Court.

Please contact the Auditor's Office if you have any questions regarding this report.



KEN PAXTON

ATTORNEY GENERAL *of* TEXAS

CHAPTER 59 ASSET FORFEITURE REPORT BY ATTORNEY REPRESENTING THE STATE

Agency Information

Agency Information

Agency Name: [Fannin County and District Attorney](#) Agency Mailing Street:
101 E. Sam Rayburn Dr., Suite 301

City: Bonham ZIP: 75418

State: TX County: Fannin

Phone Number: (903) 583-7448 Agency Fiscal Beginning
Month: September

Agency Fiscal Ending Month: August

I. Seized Funds

Do not include federal seizures and/or forfeitures on this form. This form is only for those seizures and/or forfeitures made pursuant to Chapter 59 of the Texas Code of Criminal Procedure.

Seized Funds Pursuant to Chapter 59

Funds that have been seized but have not yet been awarded/forfeited to your agency by the judicial system.

A) Beginning Seized Funds Balance: \$176,511.76

B) Seizures During Reporting Period:

1) Amount seized by employees of your agency \$0.00

2) Amount seized by other agencies: \$16,035.50

C) Total Amount of Forfeiture Petitions Filed for All Agencies You Represent: \$16,035.50

D) Total Amount of Forfeitures Pending for All Agencies You Represent: \$15,329.00

E) Interest Earned on Seized Funds During Reporting Period: \$96.53

F) Amount Returned to Defendants/Respondents: \$0.00

G) Amount Transferred to Forfeiture Account: \$19,789.00

H) Other Reconciliation Items (Must provide detail in box below): \$0.00

Description:

I) Seized Funds Ending Balance - This field will be auto-calculated when you SAVE or switch sections: \$172,854.79

Ending Balance-Mailed Form:

II. Forfeited Funds

Forfeited Funds and Other Court Awards Pursuant to Chapter 59

Funds awarded to your agency by the judicial system and which are available to spend.

A) Beginning Forfeited Funds Balance: (\$117.90)

B) Amount Forfeited For All Agencies You Represent and Covered by Local Agreement

Enter the total amount forfeited by all forfeiture judgments in your jurisdiction for the reporting year. Do not include judgments that are not yet final due to appeal or motions for new trial. Include interest that was forfeited as part of the judgment.

1) Amount Forfeited and Transferred to all Agencies Covered by Local Agreement: \$4,436.50

2) Amount Forfeited and Received by Your Agency: \$1,464.05

3) Total Amount Forfeited and Transferred to all Agencies Covered by Local Agreement - This field will be auto-calculated when you hit save or switch sections: \$5,900.55

C) Interest Earned on Forfeited Funds During Reporting Period: \$96.53

D) Amount Awarded For All Agencies You Represent Pursuant to 59.022

Enter the total amount awarded by the court for costs, forfeitures and money judgments pursuant to Article 59.022

1) Amount Awarded and Transferred to All Agencies Pursuant to 59.022: \$0.00

2) Amount Awarded and Received by your agency pursuant to 59.022: \$0.00

3) Total Amount Awarded For All Agencies You Represent Pursuant to 59.022 - This field will be auto-calculated when you hit Save or switch sections: \$0.00

E) Amount Awarded For All Agencies You Represent Pursuant to 59.023

Enter the total amount awarded by the court on lawsuits for proceeds filed pursuant to Article 59.023

1) Amount Awarded and Transferred to All Agencies Pursuant to 59.023: \$4,436.50

2) Amount Awarded and Received By Your Agency Pursuant to 59.023: \$1,464.00

All Agencies You Represent Pursuant to 59.023 - This field will be auto-calculated when you hit Save or switch sections: \$5,900.55

A) Proceeds Received by Your Agency From Sale of Forfeited Property: \$10,523.13

B) Amount Returned to Crime Victims: \$0.00

C) Other Reconciliation Items (Must provide detail in box below): \$0.00

Description:

I) Total Expenditures of Forfeited Funds During Reporting Period - This field will be auto-calculated based on your answers in the Expenditures section: \$1,559.60

J) Forfeited Funds Ending Balance (balance will be automatically calculated after expenditures are entered): \$11,870.26

Total Expenditures from Mailed Form:

Ending Balance from Mailed Form:

III. Other Property

Other Property

List the number of cases filed, pending, or disposed for each category. List as "pending" only cases where a petition was filed. List as "seized" only those seizures where a seizure is made by a peace officer employed by your agency. If

property is sold, list under "Proceeds Received by Your Agency From Sale of Forfeited Property" in Section II (F) in the reporting year in which the proceeds are received. Please note - this should be a number not a currency amount. Example 4 cars seized, 3 cars forfeited and 0 cars put into use.

A) Motor Vehicles (Include cars, motorcycles, tractor trailers, etc.)

Please note - this should be a number, not a currency amount. For example, 4 pending, 3 seized, 12 new petitions, etc

- 1) Pending for all agencies at beginning of reporting period: 0
- 2) Seized by your agency during reporting period: 0
- 3) New petitions filed for all agencies during reporting period: 4
- 4) Forfeited to your agency during reporting period: 0
- 5) Put into service by your agency during reporting period: 0
- 6) Pending for all agencies at end of reporting period: 4

B) Real Property (Count each parcel seized as one item)

Please note - this should be a number, not a currency amount. For example, 4 pending, 3 seized, 12 new petitions, etc

- 1) Pending for all agencies at beginning of reporting period: 0
- 2) Seized by your agency during reporting period: 0
- 3) New petitions filed for all agencies during reporting period: 0
- 4) Forfeited to your agency during reporting period: 0
- 5) Put into service by your agency during reporting period: 0
- 6) Pending for all agencies at end of reporting period: 0

C) Computers (Include computer and attached system components, such as printers and monitors, as one item)

Please note - this should be a number, not a currency amount. For example, 4 pending, 3 seized, 12 new petitions, etc

- 1) Pending for all agencies at beginning of reporting period: 0
- 2) Seized by your agency during reporting period: 0
- 3) New petitions filed for all agencies during reporting period: 0

- 4) Forfeited to your agency during reporting period: 0
- 5) Put into service by your agency during reporting period: 0
- 6) Pending for all agencies at end of reporting period: 0

D) Firearms (Include only firearms seized for forfeiture under Chapter 59. Do not include weapons disposed under Chapter 18)

Please note - this should be a number, not a currency amount. For example, 4 pending, 3 seized, 12 new petitions, etc

- 1) Pending for all agencies at beginning of reporting period: 0
- 2) Seized by your agency during reporting period: 0
- 3) New petitions filed for all agencies during reporting period: 0
- 4) Forfeited to your agency during reporting period: 0
- 5) Put into service by your agency during reporting period: 0
- 6) Pending for all agencies at end of reporting period: 0

E) Other Property

To add a reporting box for each additional item to be itemized, click the "New Other Property DA" button. Please note - this should be a number not a currency amount. For example, 4 pending, 3 seized, 12 new petitions, etc. For each line added, you need to hit the SAVE icon in the Action column.

Description	Pending For All Agencies (Beginning)	Seized By Your Agency	New Petitions Filed For All Agencies	Forfeited To Agency	Put Into Use by Agency	Pending For All Agencies (End)
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IV. Forfeited Property Received

Forfeited Property Received From Another Agency

Enter the total number of items transferred to your agency where the forfeiture judgment awarded ownership of the property to another agency prior to the transfer.

- A) Motor Vehicles: 0
- B) Real Property: 0
- C) Computers: 0

D) Firearms: 0

E) Other: 0

V. Forfeited Property Transferred/Loaned

Forfeited Property Transferred or Loaned From Another Agency

Enter the total number of items transferred or loaned from your agency where the forfeiture judgment awarded ownership of the property to your agency prior to the transfer.

A) Motor Vehicles: 0

B) Real Property: 0

C) Computers: 0

D) Firearms: 0

E) Other: 0

VI. Expenditures: A - D

Expenditures

This category is for Chapter 59 expenditures SOLELY for the official purposes of the office of the attorney representing the state - not for expenditures made pursuant to your general budget. List the total amount expended for each of the categories. If proceeds are expended for a category not listed, state the amount and nature of the expenditure under the Other category.

A) Salaries

1) Increase of Salary, Expense
or Allowance for Employees \$0.00
(Salary Supplements):

2) Salary Budgeted Solely \$0.00
From Forfeited Funds:

3) Number of Employees Paid 0
Using Forfeiture Funds:

4) TOTAL SALARIES PAID
OUT OF CHAPTER 59
FUNDS - This field will be auto-calculated once you hit save or switch sections: \$0.00

Total Salaries from Mailed Form:

B) Overtime

1) For Employees Budgeted by Governing Body: \$0.00

2) For Employees Budgeted Solely out of Forfeiture Funds: \$0.00

3) Number of Employees Paid Using Forfeiture Funds: 0

4) TOTAL OVERTIME PAID
OUT OF CHAPTER 59
FUNDS - This field will be auto-calculated once you hit save or switch sections: \$0.00

Total Overtime from Mailed Form:

C) Equipment

1) Vehicles: \$1,179.60

2) Computers: \$0.00

3) Firearms, Protective Body Armor, Personal Equipment: \$0.00

4) Furniture: \$0.00

5) Software: \$380.00

6) Maintenance Costs: \$0.00

7) Uniforms: \$0.00

8) K9 Related Costs: \$0.00

9) Visual Aid Equipment for Litigation: \$0.00

10) Other (Must provide detail in box below): \$0.00

Description:

11) TOTAL EQUIPMENT
PURCHASED WITH
CHAPTER 59 FUNDS - This
field will be auto-calculated
once you hit save or switch
sections: \$1,559.60

Total Equipment from Mailed
Form:

D) Supplies

1) Office Supplies: \$0.00

2) Mobile Phone and Data
Account Fees: \$0.00

3) Internet: \$0.00

4) Other (Must provide detail in
box below): \$0.00

Description:

5) TOTAL SUPPLIES
PURCHASED WITH
CHAPTER 59 FUNDS - This
field will be auto-calculated
once you hit save or switch
sections: \$0.00

Total Supplies from Mailed
Form:

VI. Expenditures: F - G

F) Training

1) Fees (Conferences,
Seminars): \$0.00

2) Materials (Books, CDs,
Videos, etc.): \$0.00

3) Other (Must provide detail in
box below): \$0.00

Description:

FUNDS - This field will be auto-calculated once you hit save or switch sections: \$0.00

Total Training from Mailed Form:

G) Investigative Costs

- 1) Informant Costs: \$0.00
- 2) Buy Money: \$0.00
- 3) Lab Expenses: \$0.00
- 4) Other (Must provide detail in box below): \$0.00

Description:

5) TOTAL INVESTIGATIVE COSTS PAID OUT OF CHAPTER 59 FUNDS - This field will be auto-calculated once you hit save or switch sections: \$0.00

Total Investigative Costs from Mailed Form:

VI. Expenditures: E

E) Travel

1) In State Travel

- a) Transportation: \$0.00
- b) Meals & Lodging: \$0.00
- c) Mileage: \$0.00
- d) Incidental Expenses: \$0.00

- e) Total In State Travel - This field will be auto-calculated once you hit save or switch sections: \$0.00

Total In State Travel from
Mailed Form:

2) Out of State Travel

- a) Transportation: \$0.00
- b) Meals & Lodging: \$0.00
- c) Mileage: \$0.00
- d) Incidental Expenses: \$0.00

- e) Total Out of State Travel: \$0.00

Total In State Travel from
Mailed Form:

3) Total Travel Paid Out of Chapter 59 Funds

Total Travel Paid Out of
Chapter 59 Funds - This field
will be auto-calculated once
you hit save or switch sections: \$0.00

Total Travel from Mailed Form:

VI. Expenditures: H - N

H) Prevention / Treatment Programs / Financial Assistance / Donation

- 1) Total Prevention/Treatment
Programs (pursuant to 59.06
(d-3(6), (h), (j)): \$0.00
- 2) Total Financial Assistance
(pursuant to Articles 59.06 (n)
and (o)): \$0.00
- 3) Total Donations (pursuant to
Articles 59.06 (d-2)): \$0.00

- 4) TOTAL
PREVENTION/TREATMENT
PROGRAMS/FINANCIAL
ASSISTANCE/DONATIONS
(pursuant to Articles 59.06
(d-3(6)), (h), (j), (n), (o), (d-2)) - \$0.00

This field will be auto-calculated once you hit save or switch sections:

Total
PREVENTION/TREATMENT
PROGRAMS/FINANCIAL
ASSISTANCE/DONATIONS
from Mailed Form:

I) Facility Costs

- 1) Building Purchase: \$0.00
- 2) Lease Payments: \$0.00
- 3) Remodeling: \$0.00
- 4) Maintenance Costs: \$0.00
- 5) Utilities: \$0.00
- 6) Other (Must provide detail in box below): \$0.00

Description:

7) TOTAL FACILITY COSTS
PAID OUT OF CHAPTER 59
FUNDS - This field will be auto-calculated once you hit save or switch sections: \$0.00

Total Investigative Costs from
Mailed Form:

J) Miscellaneous Fees

- 1) Court Costs: \$0.00
- 2) Filing Fees: \$0.00
- 3) Insurance: \$0.00
- 4) Witness Fees (including travel and security): \$0.00
- 5) Audit Costs and Fees (including audit preparation and professional fees): \$0.00
- 6) State Bar Dues and Legal Association Dues: \$0.00
- 7) Legal Library Supplies and Access Fees: \$0.00
- 8) Other (Must provide detail in box below): \$0.00

Description of Other Miscellaneous Fees:

9) TOTAL MISCELLANEOUS
FEES PAID OUT OF
CHAPTER 59 FUNDS - This
field will be auto-calculated
once you hit save or switch
sections: \$0.00

Total Miscellaneous Costs
from Mailed Form:

**K) Paid to State Treasury / General Fund / Health & Human Services Commission/ Office of the Attorney
General**

- 1) Total paid to State Treasury
due to lack of local agreement
pursuant to 59.06 (a): \$0.00
- 2) Total paid to State Treasury
due to participating in task
force not established in
accordance with 59.06 (q)(1): \$0.00
- 3) Total paid to General Fund
pursuant to 59.06 (c-3) (C)
(Texas Department of Public
Safety only): \$0.00
- 4) Total forfeiture funds
transferred to the Health and
Human Services Commission
pursuant to 59.06 (p): \$0.00
- 5) Total paid to the Office of the
Attorney General pursuant to
59.06(k): \$0.00

6) TOTAL PAID TO STATE
TREASURY/ GENERAL
FUND/ HEALTH & HUMAN
SERVICES COMMISSION/
OFFICE OF THE ATTORNEY
GENERAL OUT OF \$0.00
CHAPTER 59 FUNDS - This
field will be auto-calculated
once you hit save or switch
sections:

Total Paid to State
Treasury/General fund/ Health
& Human Services
Commission from Mailed
Form:

L) Total Paid to Cooperating Agency(ies) Pursuant to Local Agreement

COOPERATING \$0.00
AGENCY(IES) PURSUANT
TO LOCAL AGREEMENT:

M) Total Other Expenses Paid Out of Chapter 59 Funds Which Are Not Accounted For In Previous Categories

TOTAL OTHER EXPENSES
PAID OUT OF CHAPTER 59
FUNDS WHICH ARE NOT
ACCOUNTED FOR IN \$0.00
PREVIOUS CATEGORIES
(Must provide detail in box
below):

Description:

N) Total Expenditures

TOTAL EXPENDITURES -
This field will be \$1,559.60
auto-calculated once you hit
save or switch sections:

Total Expenditures from Mailed
Form:

Financial Professional Certification

After signing and pressing "Save", using your email address and password account access, and pursuant to the terms of service, you certify that you swear or affirm that the Commissioners Court, City Council or Head of Agency (if no governing body) has requested that you conduct the audit required by Article 59.06 of the Code of Criminal Procedure and that upon diligent inspection of all relevant documents and supporting materials, you believe that the information contained in this report is true and correct to the best of your Knowledge.

Financial Professional
Acknowledge Terms: Yes

Typed Name of
Auditor/Treasurer/Accounting Professional/Preparer:: Alicia R Whipple

Title: County Auditor

Additional Signature Instructions

If you would like to have additional financial professional signatures, please click the "New Financial Professional Signat

Signature	Title	Date
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Head of Agency Certification

After signing and pressing "Submit" using your email address and password account access, and pursuant to the terms of service you swear or affirm, under penalty of perjury, that you have accounted for the seizure, forfeiture, receipt, and specific expenditure of all proceeds and property subject to Chapter 59 of the Code of Criminal Procedure, and that upon diligent inspection of all relevant documents and supporting materials, this asset forfeiture report is true and correct and contains all information required by Article 59.06 of the Code of Criminal Procedure. You further swear or affirm that, to the best of your knowledge, all expenditures reported herein were lawful and proper, and made in accordance with Texas law.

Do you acknowledge the
above terms: Yes

Year: 2025

NAME: John Skotnik

TITLE: Fannin County
Criminal District
Attorney

DATE: 11/12/2025

Comments:

