

KAUFMAN COUNTY, TEXAS
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023

KAUFMAN COUNTY, TEXAS

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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

Honorable County Judge and
Commissioners’ Court
Kaufman County, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kaufman County, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Kaufman County, Texas’ basic financial statements, and have issued our report thereon dated November 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kaufman County, Texas’ internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kaufman County, Texas’ internal control. Accordingly, we do not express an opinion on the effectiveness of Kaufman County, Texas’ 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 Kaufman County, Texas’ 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kaufman County, Texas’ 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 financial statements. 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*.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



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

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

Waco, Texas
November 20, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND THE STATE OF TEXAS GRANT MANAGEMENT STANDARDS

Honorable County Judge and
Commissioners' Court
Kaufman County, Texas

Report on Compliance for Each Major Federal and State Programs

Opinion on Each Major Federal and State Program

We have audited Kaufman County, Texas (the "County") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and the State of Texas Grant Management Standards ("TxGMS") that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2023. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and TxGMS. Our responsibilities under those standards, Uniform Guidance and TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and TxGMS. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and TxGMS

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kaufman County, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon, dated November 20, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and TxGMS and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Waco, Texas
November 20, 2024

KAUFMAN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Grantor's Pass-through Number	Federal Expenditures
FEDERAL AWARDS			
<u>U.S. Department of Agriculture</u>			
Direct Program:			
Community Development Block Grant	14.228	CDV21	\$ 39,050
Total U. S. Department of Agriculture			<u>39,050</u>
<u>U.S. Department of Justice</u>			
Direct Program:			
State Criminal Alien Assistance Program	16.606	1121-0243	<u>17,867</u>
Total U. S. Department of Justice			<u>17,867</u>
<u>U.S. Department of the Treasury</u>			
Direct Program:			
COVID-19 - American Rescue Plan Act	21.027	N/A	<u>8,047,836</u>
Total U. S. Department of the Treasury			<u>8,047,836</u>
<u>U.S. Department of State Health Services</u>			
Direct Program:			
Cities Readiness Initiative	93.069	2016-001160-02/537-18-0216-00001	<u>30,706</u>
Total U. S. Department of State Health Services			<u>30,706</u>
<u>Executive Office of the President</u>			
Direct Program:			
HIDTA	95.001	315-526-120	<u>19,021</u>
Total U. S. Department of Justice, DEA			<u>19,021</u>
Total Federal Awards			\$ <u>8,154,480</u>

The accompanying notes are an integral part of this schedule.

KAUFMAN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
(CONTINUED)
YEAR ENDED SEPTEMBER 30, 2023

State Grantor/ Program Title	Grantor's Pass-through Number	State Expenditures
STATE AWARDS		
<u>Office of the Attorney General</u>		
Texas VINE Grant	2111334	\$ 14,902
Victim Coordinator Liaison Grant	1881150	45,368
Rifle Resistant Body Armor	4058501	12,239
Bullet-Resistant Shield Grant	4622401	<u>115,004</u>
Total Office of the Attorney General		<u>187,513</u>
<u>Texas Indigent Defense Commission</u>		
Indigent Defense Formula Grant	212-18-129	<u>97,681</u>
Total Texas Indigent Defense Commission		<u>97,681</u>
<u>Texas State Soil and Water Conservation Board</u>		
Flood Control: Structural Repair Activities	UEFL11-REP-ST-004-19	<u>844,450</u>
Total Texas State Soil and Water Conservation Board		<u>844,450</u>
<u>Texas General Land Office</u>		
Passed through North Central Texas Council of Governments (NCTCOG)		
GIS Mapping Grant	N/A	30,770
Solid Waste Grant	N/A	<u>1,950</u>
Total passed through NCTCOG		<u>32,720</u>
Total Texas General Land Office		<u>32,720</u>
 Total State Awards		 <u>\$ 1,162,364</u>

The accompanying notes are an integral part of this schedule.

KAUFMAN COUNTY, TEXAS

**NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS**

SEPTEMBER 30, 2023

1. GENERAL

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all applicable federal and state awards programs of Kaufman County, Texas. The County's reporting entity is defined in Note 2 (c) of the basic financial statements. Federal and state awards received directly from federal and state agencies, as well as awards passed through other government agencies, are included on the Schedule of Expenditures of Federal and State Awards.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal and State Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 2 (c) of the basic financial statements.

3. INDIRECT COSTS

The County did not elect to apply the de minimus indirect cost rate as allowed in the Uniform Guidance.

4. SUBRECIPIENTS

None of the federal or state funding received by the County was passed through to subrecipients.

KAUFMAN COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	None
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	None

Federal and State Awards:

Internal control over major programs: Material weakness(es) identified?	None
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or the State of Texas Grant Management Standards	None
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<u>Identification of major federal program:</u>	<u>Name of Program or Cluster:</u>
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Assistance Listing Number: 21.027	COVID-19 - American Rescue Plan
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<u>Identification of major state program:</u>	<u>Name of Program:</u>
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Contract Number: UEFL11-REP-ST-004-19	TSSWCB Flood Control: Structural Repair Activities
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Dollar threshold used to distinguish between type A and type B federal programs:	\$750,000
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Dollar threshold used to distinguish between Type A and Type B state programs:	\$750,000
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Auditee qualified as low-risk auditee under the Uniform Guidance:	No
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Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs Related to Federal and State Awards

None

KAUFMAN COUNTY, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

SEPTEMBER 30, 2023

None.