

KAUFMAN COUNTY, TEXAS

SINGLE AUDIT REPORT

**YEAR ENDED
SEPTEMBER 30, 2020**

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
Members of the Commissioners' Court
Kaufman, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kaufman County, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise Kaufman County, Texas' basic financial statements, and have issued our report thereon dated June 1, 2021.

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 determining the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness 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 the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

OFFICE LOCATIONS

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

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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Waco, Texas
June 1, 2021

**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 UNIFORM GRANT MANAGEMENT STANDARDS**

Honorable County Judge and
Commissioners Court
Kaufman County, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Kaufman County, Texas' compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* and the *State of Texas Uniform Grant Management Standards* that could have a direct and material effect on each of Kaufman County, Texas' major federal and state programs for the year ended September 30, 2020. Kaufman County, Texas' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Kaufman County, Texas' major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; and the *State of Texas Uniform Grant Management Standards*. Those standards, the Uniform Guidance, and the *State of Texas Uniform Grant Management Standards* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Kaufman County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Kaufman County, Texas' compliance.

Opinion on Each Major Federal and State Program

In our opinion, Kaufman County, Texas, complied, in all material respects, with the types of 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, 2020.

Report on Internal Control Over Compliance

Management of Kaufman County, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Kaufman County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State of Texas *Uniform Grant Management Standards*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Kaufman County, Texas' 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

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 the State of Texas *Uniform Grant Management Standards*. Accordingly, this report is not suitable for any other purpose.

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

Waco, Texas
June 1, 2021

KAUFMAN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grantor's Pass-through Number	Federal Expenditures	Pass-Through Expenditures
<u>U. S. Department of Justice</u>				
Direct Awards:				
Coronavirus Supplemental Funding - COVID-19	16.034	n/a	\$ 926,749	-
State Criminal Alien Assistance Program	16.606	1121-0243	<u>22,022</u>	-
Total Direct Awards			<u>948,771</u>	-
Total U. S. Department of Justice			<u>948,771</u>	-
<u>U. S. Department of Treasury</u>				
Passed through Texas Division of Emergency Management:				
Coronavirus Relief Funds - COVID-19	21.019	n/a	<u>3,817,605</u>	-
Total Passed through Texas Division of Emergency Management			<u>3,817,605</u>	-
Total U. S. Department of Treasury			<u>3,817,605</u>	-
<u>Institute of Museum and Library Services</u>				
Passed through Texas State Library and Archives Commission:				
TSLAC Interlocal Library Lending Program	45.310	901714	<u>944</u>	-
Total Passed through Texas State Library and Archives Commission			<u>944</u>	-
Total Institute of Museum and Library Services			<u>944</u>	-
<u>U. S. Election Assistance Commission</u>				
Passed through Texas Secretary of State:				
2020 Help America Vote Act (HAVA) CARES Act - COVID-19	90.404	TX18101001-01-129	<u>252,188</u>	-
Total Passed through Texas Secretary of State			<u>252,188</u>	-
Total U. S. Election Assistance Commission			<u>252,188</u>	-
<u>U. S. Department of Health and Human Services</u>				
Passed through Department of State Health Services:				
Cities Readiness Initiative (CRI)	93.069	537-18-0216-00001	<u>39,018</u>	-
Total Passed through Department of State Health Services			<u>39,018</u>	-
<u>U. S. Department of Justice, Drug Enforcement Administration (DEA)</u>				
Passed through the Texoma HIDTA:				
High Intensity Drug Trafficking Area Program (HIDTA)	95.001	315-526-120	<u>12,591</u>	-
Total Passed through Texoma HIDTA			<u>12,591</u>	-
Total U. S. Department of Justice, Drug Enforcement Administration (DEA)			<u>12,591</u>	-
<u>U.S. Department of Homeland Security</u>				
Passed through Texas Office of the Governor:				
SHSP - SWAT Equipment Enhancement	97.067	3578101; 9226101	14,575	-
SHSP - Night Vision Grant	97.067	4071901	<u>18,112</u>	-
Total Passed through Texas Office of the Governor			<u>32,687</u>	-
Total U. S. Department of Homeland Security			<u>32,687</u>	-
Total Federal Awards			<u>\$ 5,103,804</u>	<u>\$ -</u>

KAUFMAN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED SEPTEMBER 30, 2020

State Grantor/ Program Title	Grantor's Pass-through Number	State Expenditures
<u>Office of the Attorney General</u>		
Texas VINE Grant	1877307	\$ 16,091
Family Violence Prosecutor Grant	n/a	73,500
Victim Coordinator Liaison Grant	1881150	<u>42,000</u>
Total Office of the Attorney General		<u>131,591</u>
<u>Texas Task Force on Indigent Defense Commission</u>		
Indigent Defense Formula Grant	212-18-129	<u>109,851</u>
Total Texas Task Force on Indigent Defense Commission		<u>109,851</u>
<u>Texas State Soil and Water Conservation Board</u>		
Flood Control: Structural Repair Activities	CEDR90-REP-ST2-012-20	<u>1,374,969</u>
Total Texas State Soil and Water Conservation Board		<u>1,374,969</u>
<u>Texas General Land Office</u>		
Passed through North Central Texas Council of Governments		
GIS Mapping Grant	n/a	<u>30,770</u>
Total passed through North Central Texas Council of Governments		<u>30,770</u>
Total Texas General Land Office		<u>30,770</u>
Total State Awards		\$ <u>1,647,181</u>
Total Expenditures of Federal and State Awards		\$ <u>6,750,985</u>

KAUFMAN COUNTY, TEXAS

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

SEPTEMBER 30, 2020

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 awards received directly from federal agencies, as well as awards passed through other government agencies, and state awards received directly from the state, 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 10% de minimus indirect cost rate.

KAUFMAN COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

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 100.516(a) or the State of Texas Uniform Grant Management Standards?

None

Identification of major programs:

CFDA Number:

16.034

Name of federal program or cluster:

Coronavirus Emergency Supplemental Funding

21.019

Coronavirus Relief Funding

State

TSSWCB Flood Control: Structural Repair Activities

Dollar threshold used to distinguish between

Type A and Type B federal programs

\$750,000

Dollar threshold used to distinguish between

Type A and Type B state programs:

\$300,000

Auditee qualified as low-risk auditee under Uniform Guidance? No

Auditee qualified as low-risk auditee under State of Texas Uniform Grant Management Standards?

No

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 for Federal and State Awards

None

KAUFMAN COUNTY, TEXAS

SCHEDULE OF PRIOR YEAR FINDINGS

SEPTEMBER 30, 2020

None.

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