

POLK COUNTY, TEXAS

SINGLE AUDIT REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024**

POLK 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
Polk 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Polk County, Texas as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Polk County, Texas' basic financial statements, and have issued our report thereon dated April 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Polk 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 Polk County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Polk 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 Polk 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.

OFFICE LOCATIONS

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NEW MEXICO | Albuquerque

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Polk 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 Polk 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 Polk County, Texas' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Waco, Texas
April 28, 2025



**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
Members of the Commissioners' Court
Polk County, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal Program

We have audited Polk County, Texas' compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the State of Texas Grant Management Standards that could have a direct and material effect on each of Polk County, Texas' major federal and state programs for the year ended September 30, 2024. Polk 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.

In our opinion, Polk County, Texas 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, 2024.

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*); and 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 the State of Texas Grant Management Standards. Our responsibilities under those standards, the Uniform Guidance, and the State of Texas Grant Management Standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Polk County, Texas 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 Polk County, Texas' 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 Polk County, Texas' federal and state programs.

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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 Polk County, Texas' 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 the State of Texas Grant Management Standards, 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 Polk County, Texas' 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 the State of Texas Grant Management Standards, 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 Polk County, Texas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Polk County, Texas' 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 and the State of Texas Grant Management Standards, 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 the State of Texas Uniform Grant Management Standards. 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 the State of Texas Grant Management Standards

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Polk County, Texas as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Polk County, Texas' basic financial statements. We issued our report thereon, dated April 28, 2025, 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 the State of Texas Grant Management Standards 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 or to 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
April 28, 2025

POLK COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Pass-through Grantor's Number	Expenditures	Pass-Through Expenditures
U.S. Department of Housing and Urban Development				
Passed through the Texas Department of Agriculture				
Community Development Block Grant	14.228	7220361	\$ 2,950	\$ -
Community Development Block Grant	14.228	CDV21-0368-C113	44,800	-
Total passed through the Texas Department of Agriculture			<u>47,750</u>	<u>-</u>
Passed through the Texas General Land Office				
Community Development Block Grant	14.228	22-130-033-E029	25,000	-
Community Development Block Grant - Flood Buyback	14.228	20-065-018-C064	1,259,563	-
Total passed through the Texas General Land Office			<u>1,284,563</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>1,332,313</u>	<u>-</u>
U.S. Department of Justice				
Direct program				
State Criminal Alien Assistance Program	16.606	BJA-2023-171484	9,865	-
Passed through the Office of the Governor				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	4437901	29,514	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	4297302	35,035	-
Total passed through the Office of the Governor			<u>64,549</u>	<u>-</u>
Total U.S. Department of Justice			<u>74,414</u>	<u>-</u>
U.S. Department of Treasury				
Direct program				
Coronavirus State and Local Fiscal Recovery Funds (COVID-19)	21.027	N/A	4,661,050	972,879
Total U. S. Department of Treasury			<u>4,661,050</u>	<u>972,879</u>
U.S. Department of Health and Human Services				
Passed through the Deep East Texas Council of Governments				
Title III Part C1, Nutrition Services	93.045	014-16-100082-8	94,594	-
Title III Part C2, Nutrition Services	93.045	014-16-100082-8	30,490	-
Total passed through the Deep East Texas Council of Governments			<u>125,084</u>	<u>-</u>
Passed through the Texas Department of Aging and Disability Services				
Social Services Block Grant	93.667	001000824	331,556	-
Total U. S. Department of Health and Human Services			<u>456,640</u>	<u>-</u>
U.S. Department of Homeland Security				
Passed through the Texas Division of Emergency Management				
Hazard Mitigation Grant (COVID-19)	97.039	DR4485-0026	22,346	-
Total passed through the Deep East Texas Council of Governments			<u>22,346</u>	<u>-</u>
Total U. S. Department of Homeland Security			<u>22,346</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 6,546,763</u>	<u>\$ 972,879</u>

The notes to the schedule of federal and state awards are an integral part of this schedule.

POLK COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

State Grantor/Pass-through Grantor/ Program Title	Pass-through Grantor's Number	Expenditures	Pass-Through Expenditures
Office of the Attorney General			
Direct program			
Statewide Automated Victim Notification Services	C-00355	\$ 18,030	\$ -
Victim Coordinator Liaison Grant	2098754	37,631	-
Victim Coordinator Liaison Grant	2215184	3,984	-
Total Office of the Attorney General		<u>59,645</u>	<u>-</u>
Texas Task Force on Indigent Defense			
Direct program			
Indigent Defense Formula Grant	212-24-187	<u>52,812</u>	<u>-</u>
Total Texas Task Force on Indigent Defense		<u>52,812</u>	<u>-</u>
Texas Historical Commission			
Direct program			
Courthouse Restoration Program	CTH-POLK-11-2021	<u>1,017,472</u>	<u>-</u>
Total Texas Historical Commission		<u>1,017,472</u>	<u>-</u>
Texas Commission on Environmental Quality			
Passed through Deep East Texas Council of Governments			
DETCOG 9-1-1 Addressing	N/A	<u>6,000</u>	<u>-</u>
Total Texas Commission on Environmental Quality		<u>6,000</u>	<u>-</u>
Commission on State Emergency Communication			
Passed through Deep East Texas Council of Governments			
DETCOG Solid Waste	24-14-05	<u>13,500</u>	<u>-</u>
Total Commission on State Emergency Communication		<u>13,500</u>	<u>-</u>
Texas Comptroller of Public Accounts			
Direct program			
Rural Law Enforcement Grant	N/A	<u>687,545</u>	<u>-</u>
Total Comptroller of Public Accounts		<u>687,545</u>	<u>-</u>
Texas Department of Motor Vehicles			
Direct program			
Catalytic Converters Program	224-24-18700	<u>55,250</u>	<u>-</u>
Total Texas Department of Motor Vehicles		<u>55,250</u>	<u>-</u>
Total Expenditures of State Awards		<u>\$ 1,892,224</u>	<u>\$ -</u>

The notes to the schedule of federal and state awards are an integral part of this schedule.

POLK COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SEPTEMBER 30, 2024

Note 1 - Basis of Accounting

The 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 I of the basic financial statements. The information in this schedule is presented in accordance with the 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 Grant Management Standards. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Basis of Presentation

The Schedule of Expenditures of Federal and State Awards presents the activity of all applicable federal and state awards programs of the County. The County's reporting entity is defined in Note I 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.

Note 3 - Indirect Costs

The County has elected not to use the de minimis indirect cost rate as allowed in the Uniform Guidance.

POLK COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Summary of Auditor's Results

Financial Statements:

Type of auditors' report issued	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered a material weakness?	None reported
Noncompliance material to financial statements noted?	None

Federal Awards:

Internal control over major programs: Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered a material weakness?	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)	None
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Identification of major programs:

Assistance Listing Number: 21.027	Name of Program or Cluster: American Rescue Plan Act
N/A CTH-POLK-11-2021	Rural Law Enforcement Grant Courthouse Restoration Program

Dollar threshold used to distinguish between type A and type B programs.	\$750,000
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Auditee qualified as low-risk auditee for federal single audit?	Yes
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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 for Federal and State Awards

None

POLK COUNTY, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

None