

POTTER COUNTY, TEXAS

SINGLE AUDIT REPORTS

**FOR YEAR ENDED
SEPTEMBER 30, 2021**

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POTTER COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR YEAR ENDED SEPTEMBER 30, 2021

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To The Honorable County Judge and
Commissioners Comprising the
Commissioners' Court of
Potter County, Texas

INDEPENDENT AUDITORS' 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*

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, the business-type activities, each major fund, and the aggregate remaining fund information of Potter County, Texas (the County) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 1, 2022.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's 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.

DOSHIER, PICKENS & FRANCIS, L.L.C.

DOSHIER, PICKENS & FRANCIS, LLC

Amarillo, Texas

March 1, 2022



To The Honorable County Judge and
Commissioners Comprising the
Commissioners' Court of
Potter County, Texas

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE
PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULES OF
EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND THE
STATE OF TEXAS SINGLE AUDIT CIRCULAR

Report on Compliance for Each Major Program

We have audited Potter County, Texas's (the County) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and in the *State of Texas Single Audit Circular* 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, 2021. The County's major federal and state programs are identified in the summary of auditors' 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 and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); the State of Texas *Uniform Grant Management Standards* (UGMS) issued by the Governor's Office of Budget and Planning; and the *State of Texas Single Audit Circular*. Those standards and the Uniform Guidance 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 program occurred. An audit includes examining, on a test basis, evidence about the County's 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 the County's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the County 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, 2021.

Report on Internal Control Over Compliance

Management of the County 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 the County's 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 or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and *State of Texas Single Audit Circular*, 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 the County's 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 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 have not been 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 Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Potter County, Texas as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 1, 2022, which contained unmodified opinions of 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 awards and schedule of expenditures of state awards are presented for purposes of additional analysis as required by the Uniform Guidance and the *State of Texas Single Audit Circular* and are 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 schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

DOSHIER, PICKENS & FRANCIS, L.L.C.

DOSHIER, PICKENS & FRANCIS, LLC
Amarillo, Texas
March 1, 2022

POTTER COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED SEPTEMBER 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass Through Entity Identifying/ Contract Number	Expenditures, Indirect Costs and Refunds
Federal Awards:			
U.S. Department of Health and Human Services			
Texas Department of Family and Protective Services			
Title IV-E Legal Reimbursement	93.658	24730714	\$ 126,537
Texas Juvenile Justice Department			
Title IV-E Administrative & Foster Care Reimbursement	93.658	TJJD-IV-E-21-188	153,163
U.S. Department of Justice			
Bureau of Justice Assistance			
State Criminal Alien Assistance Program (SCAAP)	16.606	2019-AP-BCX-0517	2,891
COVID Emergency Supplement	16.034	2020-VD-BX-0835	8,530
COVID Emergency Supplement	16.034	2020-VD-BX-0002	81,961
Texas Office of the Governor - Criminal Justice Division			
Victims of Crime Act Formula Grant	16.575	VA18V302093310	138,052
Violence Against Women - County Attorney	16.588	WF18V303358504	132,321
City of Amarillo, Texas			
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-DJ-BX-0563	3,179
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-DJ-BX-0516	39,652
Executive Office of the President			
Navarro County			
High Intensity Drug Trafficking Areas Program	95.001	N/A	<u>29,398</u>
Total Federal			<u>\$ 715,684</u>

**POTTER COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS
FOR YEAR ENDED SEPTEMBER 30, 2021**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass Through Entity Identifying/ Contract Number	Expenditures, Indirect Costs and Refunds
Texas Office of the Attorney General			
Victim Information and Notification Everyday	N/A	1990688	\$ 30,123
Victim Coordinator and Liason Grant	N/A	2098762	30,836
Department of Motor Vehicles			
Auto Burglary and Theft Prevention	N/A		351,032
Texas Office of the Governor			
Adult Drug Court	N/A	2761607	89,265
Adult Drug Court	N/A	2761608	6,357
Office of Court Administration			
Indigent Defense Formula Grant	N/A		75,716
Texas Indigent Defense Commission			
Technical Support Grant	N/A	20-TS-188	44,016
Texas Juvenile Justice Department			
State Aid	N/A	TJJD-A-21-188	967,793
Special Needs Diversionary Program	N/A	TJJD-M-21-188	55,711
Regional Diversion Alternatives	N/A	TJJD-R-21-188	58,456
Total StateAwards			<u>\$ 1,709,305</u>

POTTER COUNTY, TEXAS
NOTES TO SCHEDULE OF FEDERAL AND STATE AWARDS
SEPTEMBER 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of Potter County, Texas and is presented on the accrual basis of accounting. The information in these schedules are presented in accordance with the 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); the State of Texas *Uniform Grant Management Standards* (UGMS) issued by the Governor’s Office of Budget and Planning; and the *State of Texas Single Audit Circular*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the County’s basic financial statements.

NOTE 2 – INDIRECT COST RATE

The County has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

POTTER COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For Year Ended September 30, 2021

Section I – Summary of Auditors’ Results

Financial Statements:

Type of auditor’s report issued: **Unmodified**

Internal control over financial reporting:

- | | | |
|---------------------------------------------------------------------------------------------|-------|---------------|
| • Material weakness(es) identified? | _____ | X
_____ |
| | Yes | No |
| • Significant deficiency(ies) identified that are not considered to be material weaknesses? | _____ | X
_____ |
| | Yes | None reported |
| Noncompliance material to financial statements noted? | _____ | X
_____ |
| | Yes | No |

Federal Awards and State Awards:

Internal control over major programs:

- | | | |
|---------------------------------------------------------------------------------------------|-------|---------------|
| • Material weakness (es) identified? | _____ | X
_____ |
| | Yes | No |
| • Significant deficiency(ies) identified that are not considered to be material weaknesses? | _____ | X
_____ |
| | Yes | 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 Section 200.516(a)?	_____	X _____
	Yes	No

Identification of major programs:

Federal

U.S. Department of Justice, passed through Texas Office of the Governor –
 Criminal Justice Division
 CFDA 16.575: Victims of Crime Act Formula Grant
 CFDA 16.588: Violence Against Women

State

Department of Motor Vehicles
 Auto Burglary and Theft Prevention
 Texas Juvenile Justice Department
 TJJD-A-21-188: State Aid
 TJJD-M-21-188: Special Needs Diversionary Program
 TJJD-R-21-188: Regional Diversion Alternatives

Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000**
\$300,000

Auditee qualified as low-risk auditee?	_____	X _____
	Yes	No

POTTER COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For Year Ended September 30, 2021

There were no findings or questioned costs in the current year.

POTTER COUNTY, TEXAS
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
For Year Ended September 30, 2021

There were no findings or questioned costs in the prior year.