

BURNET COUNTY, TEXAS
SINGLE AUDIT REPORT
SEPTEMBER 30, 2022

BURNET 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

To the Honorable County Judge
And Members of Commissioner's Court
Burnet County, Texas

We have audited, in accordance with 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 Burnet County, Texas (the "County") as of and for the year ended September 30, 2022, 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 28, 2023.

Report on 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 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 weakness. 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 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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Waco, Texas
March 28, 2023

**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 of Burnet County
Burnet, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Burnet County, Texas' (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the State of Texas *Uniform Grant Management Standards* ("UGMS") 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, 2022. 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, 2022.

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 State; 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 UGMS. Our responsibilities under those standards and the Uniform Guidance 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 *UGMS* 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 the 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 *UGMS*, 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 and *UGMS*, 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 a 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 *UGMS*. 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 *Uniform Grant Management Standards*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon, dated March 28, 2023, 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 *UGMS* 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 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
March 28, 2023

BURNET COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Pass-through Expenditures
<u>U. S. Department of Justice</u>				
Passed through the Texas Office of the Governor:				
Crime Victim Assistance	16.575	3073004	\$ 54,910	\$ -
State Criminal Alien Assistance Program (SCAAP)	16.606	N/A	15,551	-
Bulletproof Vest Partnership Program	16.607	N/A	6,127	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0016	64,709	-
STOP School Violence	16.839	2018-YS-BX-0151	14,007	-
Total Texas Office of the Governor			<u>155,304</u>	<u>-</u>
Total U. S. Department of Justice			<u>155,304</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
Passed through the Texas Department of Transportation:				
Highway Planning and Construction Grant (Cluster)	20.205	3733302	432,325	-
Total Passed through Texas Department of Transportation			<u>432,325</u>	<u>-</u>
Total U.S. Department of Transportation			<u>432,325</u>	<u>-</u>
<u>U. S. Department of the Treasury</u>				
Direct Program:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	1,956,662	-
Total U. S. Department of the Treasury			<u>1,956,662</u>	<u>-</u>
<u>Election Assistance Commission</u>				
Passed through the Texas Secretary of State:				
COVID-19 - HAVA Elections Security Grant	90.404	TX18101001-01-027	9,942	-
Total Passed through the Texas Secretary of State			<u>9,942</u>	<u>-</u>
Total Election Assistance Commission			<u>9,942</u>	<u>-</u>
Total Expenditures of Federal Awards			\$ <u>2,554,233</u>	\$ <u>-</u>

The accompanying notes are an integral part of this schedule.

BURNET COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

State Grantor/ Program Title	Pass-through Grantor's Number	State Expenditures
<u>Texas Office of the Governor - Criminal Justice Division</u>		
Capital Murder Trial: Luckenbach	2021-CE-ST-0016	\$ 15,277
Total Texas Office of the Governor - Criminal Justice Division		<u>15,277</u>
<u>Texas Department of Motor Vehicles</u>		
Heart of Texas Auto Theft Task Force	608-22-0270000	<u>250,855</u>
Total Texas Department of Motor Vehicles		<u>250,855</u>
<u>Texas State Library & Archives Commission</u>		
Texas Supports Libraries 2022	TSL-22019	<u>58,430</u>
Total Texas State Library & Archives Commission		<u>58,430</u>
<u>Texas Veterans Commission</u>		
VETRIDE	GT-FVA22-001	<u>71,496</u>
Total Texas Veterans Commission		<u>71,496</u>
<u>Office of Court Administration</u>		
Indigent Defense Formula Grant	212-22-027	50,928
Indigent Defense Sustainability Grant	SG-22-023	<u>852,299</u>
Total Office of Court Administration		<u>903,227</u>
Total Expenditures of State Awards		\$ <u>1,299,285</u>

The accompanying notes are an integral part of this schedule.

BURNET COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 Uniform 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.

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.

Indirect Costs

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

BURNET COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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) of Uniform Guidance or the State of Texas Uniform Grant Management Standards? None

Identification of major programs:

Federal major program:	
Assistance Listing Number - 21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Fund
State major program	Indigent Defense Sustainability Grant

Dollar threshold used to distinguish between type A and type B programs:

Federal	\$750,000
State	\$300,000

Auditee qualified as low-risk auditee for federal single audit? Yes
Auditee qualified as low-risk auditee for state single audit? 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

BURNET COUNTY, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

None