

BURLESON COUNTY, TEXAS

SINGLE AUDIT REPORTS

For the year ended September 30, 2023

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CONTENTS

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 <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND THE SCHEDULE OF EXPENDITURES OF STATE AWARDS REQUIRED BY THE TEXAS GRANT MANAGEMENT STANDARDS	3
SCHEDULES	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
SCHEDULE OF EXPENDITURES OF STATE AWARDS	7
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS	8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	9
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	11
CORRECTIVE ACTION PLAN	12

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 the Commissioners' Court of
Burleson 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Burleson County, Texas (the "County") 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, and have issued our report thereon dated December 18, 2024.

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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, 2023-004, and 2023-005 that we consider to be material weaknesses.

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*.

(Continued)

The County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.


Crowe LLP

Houston, Texas
December 18, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND THE SCHEDULE OF EXPENDITURES OF STATE AWARDS REQUIRED BY THE TEXAS GRANT MANAGEMENT STANDARDS

To the Honorable County Judge and
Members of the Commissioners' Court of
Burleson County, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Burleson County, Texas's (the "County") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the Texas Grant Management Standards (TGMS) 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 TGMS. Our responsibilities under those standards, the Uniform Guidance, and TGMS 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 TGMS 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 TGMS, 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 TGMS, 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 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 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 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.

Report on Schedules of Expenditures of Federal and State Awards Required by the Uniform Guidance and TGMS

We have audited the financial statements of the County, 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 have issued our report thereon dated December 18, 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 schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the Uniform Guidance and TGMS and are not required parts 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 are fairly stated in all material respects in relation to the basic financial statements as a whole.

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 TGMS. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Houston, Texas
December 18, 2024

BURLESON COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal AL Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF TREASURY			
Direct Award			
COVID-19 American Rescue Plan - Coronavirus State and Local Fiscal Recovery Funds		21.027	\$ 1,595,378
Local Assistance and Tribal Consistency Fund		21.032	9,793
Total U.S. Department of Treasury			<u>1,605,171</u>
U.S. DEPARTMENT OF JUSTICE			
Pass-Through Office of the Governor Criminal Justice Division			
Victims of Crime Act Formula Grant Program	15POVC-21-GG-00600-ASSI	16.575	35,242
Pretrial Mental Health Caseworker	2019-DJ-BX-0016	16.738	<u>60,208</u>
Total U.S. Department of Justice			<u>95,450</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Pass-Through Texas Office of the Governor Homeland Security Grants Division			
Burleson County Dispatch Upgrade	EMW-2021-SS-00062	97.067	<u>57,430</u>
Total U.S. Department of Homeland Security			<u>57,430</u>
Total Federal Expenditures			<u>\$ 1,758,051</u>

See accompanying notes to schedules of expenditures of Federal and State awards.

BURLESON COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the year ended September 30, 2023

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>Program/Grant/ Project Number</u>	<u>Expenditures</u>
STATE DEPARTMENT OFFICE OF THE ATTORNEY GENERAL		
Direct Awards		
Texas VINE Grant - FY2023 SAVNS	C-00023	\$ 5,594
Total State Department Office of the Attorney General		<u>5,594</u>
TEXAS DEPARTMENT OF TRANSPORTATION		
Direct Awards		
County Transportation Infrastructure Fund	CTIF_02_026	<u>827,074</u>
Total Texas Department of Transportation		<u>827,074</u>
TEXAS INDIGENT DEFENSE COMMISSION		
Direct Awards		
Indigent Defense Formula Grant	212-23-026	28,732
Indigent Defense FY22 Supplemental	PB-22-026	<u>53,603</u>
Total Texas Indigent Defense Commission		<u>82,335</u>
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY		
Pass-through Brazos Valley Council of Governments		
Solid Waste Grant	22-13-01	<u>5,364</u>
Total Texas Commission on Environmental Quality		<u>5,364</u>
STATE DEPARTMENT OFFICE OF THE GOVERNOR		
Pass-through Office of the Government Criminal Justice Division		
Body-Worn Cameras and Cloud-Based Storage	43928-01	951
Rifle-Resistant Body Armor	44226-01	45,443
Bullet-Resistant Shield Program	46089-01	<u>27,454</u>
Total State Department Office of the Governor		<u>73,848</u>
Total State Expenditures		<u>\$ 994,215</u>

See accompanying notes to schedules of expenditures of Federal and State awards.

BURLESON COUNTY, TEXAS
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the year ended September 30, 2023

NOTE 1 - REPORTING ENTITY

The accompanying schedules of expenditures of federal and state awards (the "Schedules") presents the activity of all federal and state financial assistance programs of the County.

NOTE 2 - BASIS OF ACCOUNTING

The 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) and the Uniform Grant Management Standards (TGMS). Therefore, some amounts presented in these Schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedules are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance and TGMS, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedules, if any, represent, adjustments or credits made in the normal course to amounts reported as expenditures in prior years.

NOTE 4 - INDIRECT COST RATE

The County has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance for all grants with the exception of the Coronavirus State and Local Fiscal Recovery Funds. Indirect costs of \$104,209 were included in the federal expenditures for Federal AL number 21.027.

NOTE 5 - DONATED PERSONAL PROTECTIVE EQUIPMENT

During the emergency period of COVID-19, federal agencies and recipients of federal assistance funds donated personal protective equipment (PPE) to non-federal entities. In connection with that donation, the recipient must disclose the estimated value of the donated PPE, but such amounts are not included in the SEFA. The County did not receive PPE donations during the reporting year.

BURLESON COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2023

Section I—Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

Federal and State Awards

Internal control over major federal and state programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major federal and state programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal or State Program or Cluster
21.027	American Rescue Plan – Coronavirus State and Local Fiscal Recovery Funds
N/A	County Transportation Infrastructure Fund

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

Auditee qualified as low-risk auditee? No

BURLESON COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2023

Section II—Financial Statement Findings

2023-001 Management Review of Revenue Recognition (Material Weakness)

Criteria: Management is responsible for establishing and maintaining controls to ensure the accuracy of financial records, including the prevention of duplicate revenue recognition.

Condition: A discrepancy was identified in the County's financial reporting processes during the financial statement audit for the fiscal year. There was a duplicated revenue recognition for grant revenues.

Cause: It appears these variances stemmed from improper recording of grant revenues. A duplicate accrual of revenue was recorded for indirect costs within the general and miscellaneous grant fund.

Effect: The identified deficiencies resulted in overstated grant revenue and expenses by \$104,209.

Recommendation: The County should implement comprehensive reconciliation procedures that includes procedures to periodically review financial records to prevent duplicate revenue recognition. These steps are essential to ensure the accuracy and integrity of the County's financial reporting.

Views of responsible officials and planned corrective actions: See Corrective Action Plan.

2023-002 Segregation of Duties (Material Weakness)

Criteria: Segregation of duties is a key control that reduces the risk of fraud and error by ensuring that no one person has complete control over all aspects of a financial process.

Condition: The County Auditor posts and reviews their own journal entries within the County's financial reporting software.

Cause: Due to limited personnel, the County has allowed the County Auditor to post and review their own journal entries.

Effect: The misappropriation of assets and/or errors could go undetected because of the lack of segregation of duties.

Recommendation: All journal entries should be prepared and reviewed by separate individuals to provide segregation of duties.

Views of responsible officials and planned corrective actions: See Corrective Action Plan

Section III—Federal Award Findings and Questioned Costs

No matters were reported

BURLESON COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended September 30, 2023

SUMMARY OF PRIOR AUDIT FINDINGS

None noted.



BURLESON COUNTY AUDITOR

CORRECTIVE ACTION PLAN

2023-001 Management Review of Revenue Recognition

The County will implement comprehensive reconciliation procedures for proper recording of grant revenues. Revenue recognition practices will be updated to ensure grant revenues are accurately recorded in the applicable funds, with periodic reviews established to identify and prevent duplicate revenue recognition. Staff will receive training on these updated procedures, which will be documented in the County's financial policies and procedures manual.

2023-002 Segregation of Duties

To address the lack of segregation of duties, the County will implement a policy ensuring that journal entries are prepared and reviewed by separate individuals. Additional personnel will be allocated to facilitate this process. A monitoring system will be established to ensure adherence to the new policy, with periodic audits conducted to verify compliance.

Jimmy Mynar, County Auditor