

COLLIN COUNTY, TEXAS

SINGLE AUDIT REPORT

**YEAR ENDED
SEPTEMBER 30, 2013**

COLLIN COUNTY, TEXAS

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**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**

Honorable County Judge and Members of the
Commissioners Court of Collin County
McKinney, 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Collin County, Texas, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Collin County, Texas' basic financial statements, and have issued our report thereon dated March 28, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Collin County, Texas' internal control over financial reporting (internal control) to determine 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 Collin County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Collin 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Collin 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 determination of financial statement amounts. 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 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, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-
133 AND THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS**

Honorable County Judge and Members of the
Commissioners Court of Collin County
McKinney, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Collin County, Texas' (the "County's") compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the State of Texas *Uniform Grant Management Standards* 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, 2013. 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 the requirements of laws, regulations, contracts, and grants 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; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and the State of Texas *Uniform Grant Management Standards*. Those standards, OMB Circular A-133 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 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, 2013.

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 and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 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 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 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 have not been identified.

Report on the Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and the State of Texas *Uniform Grant Management Standards*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2013, 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, 2014, 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 OMB Circular A-133 and the State of Texas *Uniform 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.

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 OMB Circular A-133 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

April 29, 2014, except for our report on the Schedule of Expenditures of Federal and State Awards, for which the date is March 28, 2014

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COLLIN COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grantor's Pass-through Number	Federal Expenditures
FEDERAL AWARDS			
<u>U. S. Department of Agriculture</u>			
Passed through the Texas Department of State Health Services:			
Women, Infants and Children	10.557	2013-042593-001A	\$ 1,397,337
Total Passed through the Texas Department of State Health Services			<u>1,397,337</u>
Total U. S. Department of Agriculture			<u>1,397,337</u>
<u>U. S. Department of Justice</u>			
Passed through the Governor's Office Criminal Justice Division:			
JB-Juvenile Accountability Incentive Block Grant	16.523	JB-11-J20-25681-01	20,420
DJ-Edward Byrne Memorial Justice Assistance Grant Program	16.738	DJ-11-A10-25709-01	31,722
Total Passed through the Governor's Office Criminal Justice Division			<u>52,142</u>
Passed through the Bureau of Justice Assistance:			
Bulletproof Vest Partnership Program	16.607	2012-2013	14,023
Total Passed through the Bureau of Justice Assistance			<u>14,023</u>
Passed through the City of Plano:			
Justice Assistance Grant 2010	16.738	2010-DJ-BX-1029	22,610
Justice Assistance Grant 2011	16.738	2011-DJ-BX-2221	17,375
Justice Assistance Grant 2012	16.738	2012-DJ-BX-0674	5,625
FY 09 Recovery Act JAG Program	16.738	2009-SB-B9-1417	77,242
Total Passed through the City of Plano			<u>122,852</u>
Total U. S. Department of Justice			<u>189,017</u>
<u>U. S. Department of Health and Human Services/Centers for Disease Control and Prevention</u>			
Passed through the Texas Department of State Health Services:			
Tuberculosis 2013	93.116	2013-041110-001	167,104
Tuberculosis 2014	93.116	2014-001394-00	19,239
Tuberculosis Federal 2013	93.116	2013-041110-003	124,384
Tuberculosis Federal 2014	93.116	2014-001388-00	9,207
Immunization Outreach 2013	93.268	2013-041110-004	299,904
Immunization Outreach 2014	93.268	2014-001266-00	60,123
Preventive Health and Health Services Block Grant	93.991	2013-041110-006	19,270
Preventive Health and Health Services Block Grant	93.991	2014-001289-00	8,228
Total Passed through the Texas Department of State Health Services			<u>707,459</u>
Total U. S. Department of Health and Human Services/Centers for Disease Control and Prevention			<u>707,459</u>

COLLIN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

(Continued)

YEAR ENDED SEPTEMBER 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grantor's Pass-through Number	Federal Expenditures
<u>U. S. Department of Health and Human Services</u>			
Passed through the Texas Department of State Health Services:			
Public Health Emergency Response FY 13	93.069	2013-041110-005	\$ 530,812
Public Health Emergency Response FY 14	93.069	2014-001267-00	38,900
City Readiness Initiative 13	93.069	2013-041110-003	148,353
City Readiness Initiative 14	93.069	2014-001265-00	9,322
Preparedness and Prevention Community Section/Risk Based Funding	93.069	2012-040266	23,827
Total Passed through the Texas Department of State Health Services			<u>751,214</u>
Passed through the Texas Department of Protective and Regulatory Services:			
Title IV-E Foster Care (CPS) 2013	93.658	23939923	4,039
Title IV-E Foster Care - Legal	93.658	23939924	37,033
Total Passed through the Texas Department of Protective and Regulatory Services			<u>41,072</u>
Total U. S. Department of Health and Human Services			<u>792,286</u>
<u>Executive Office of the President</u>			
Passed through Navarro County:			
North Texas HIDTA/OCDETF	95.001	N/A	8,024
Total Passed through Navarro County			<u>8,024</u>
Total Executive Office of the President			<u>8,024</u>
<u>U. S. Department of Homeland Security</u>			
Passed through the Governor's Division of Emergency Management:			
Urban Area Security Initiative 2011	97.008	EMW-2011-SS-00019	141,899
Urban Area Security Initiative 2012	97.008	EMW-2012-SS-00018-S01	79,299
EMPG 2013	97.042	13TX-EMPG-0082	44,864
Total Passed through the Governor's Division of Emergency Management			<u>266,062</u>
Passed through the Nationwide SAR Initiative Program Management Office:			
Nationwide Suspicious Activity Reporting Initiative Support	97.067	20-DG-BX-K002	5,405
Total Passed through the Nationwide SAR Initiative Program Management Office			<u>5,405</u>
Total U. S. Department of Homeland Security			<u>271,467</u>
Total Federal Awards			<u>\$ 3,365,590</u>

COLLIN COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
(Continued)
YEAR ENDED SEPTEMBER 30, 2013

State Grantor/Pass-through Grantor/Program Title	Grantor's Pass-through Number	State Expenditures
STATE AWARDS		
<u>Commission on State Emergency Communications</u>		
Passed through North Central Texas Council of Governments:		
911 Addressing	N/A	\$ 48,962
Total Passed through North Central Texas Council of Governments		48,962
Total Commission on State Emergency Communications		48,962
<u>Texas Task Force on Indigent Defense</u>		
Collin County Mental Health Managed Counsel Program	212-13-D05	99,533
Indigent Defense Formula Grant	212-13-043	483,380
Total Texas Task Force on Indigent Defense		582,913
<u>State Comptroller of Public Accounts</u>		
Chapter 19 Election	N/A	79,387
Total State Comptroller of Public Accounts		79,387
<u>Office of the Attorney General</u>		
Texas VINE Program	1336528	29,174
Total Office of the Attorney General		29,174
<u>Texas Commission on Environmental Quality</u>		
AirCheck Texas	582-12-20275	346,876
Passed through North Central Texas Council of Governments:		
Solid Waste Implementation Project	12-04-G01	34,979
LIRAP	582-8-89950	474,640
Total Passed through North Central Texas Council of Governments		509,619
Total Texas Commission on Environmental Quality		856,495
<u>Texas Department of Transportation</u>		
DWI No-Refusal Mandatory Blood Draw Program	2013-CollinDA-G1YG-0285	19,691
RTR-Outer Loop	0918-24-169	956,145
Total Texas Department of Transportation		975,836
<u>Texas Automobile Burglary and Theft Protection Agency</u>		
Passed through the Dallas County North Texas Auto Theft Task Force:		
NTATTF	SA-T01-10047-13	33,670
Total Passed through the Dallas County North Texas Auto Theft Task Force		33,670
Total Texas Automobile Burglary and Theft Protection Agency		33,670
<u>North Texas HIDTA</u>		
North Texas HIDTA/OCDETF	N/A	17,860
Total North Texas HIDTA		17,860
<u>Governor's Office Criminal Justice Division</u>		
SF-State Criminal Justice Planning	SF-14-A10-25709-02	2,795
Total Governor's Office Criminal Justice Division		2,795
Total State Awards		\$ 2,627,092

COLLIN COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SEPTEMBER 30, 2013

1. GENERAL

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all applicable federal and state awards programs of Collin County, Texas. The County's reporting entity is defined in Note 1 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.

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 1 of the basic financial statements.

COLLIN COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 or the State of Texas <i>Uniform Grant Management Standards</i>	No
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Identification of major programs:

CFDA Number:	Name of Federal Program or Cluster:
93.069	Public Health Emergency Preparedness
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs
93.268	Immunization Cooperative Agreements
97.008	Non-Profit Security Program
97.042	Emergency Management Performance Grants
State	LIRAP
State	Air Check Texas
State	RTR-Outer Loop

Dollar threshold used to distinguish between type A and type B federal programs	\$300,000
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Dollar threshold used to distinguish between type A and type B state programs	\$300,000
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Auditee qualified as low-risk auditee?	No
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COLLIN COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

SEPTEMBER 30, 2013

**Findings Related to the Financial Statements Which are
Required to be Reported in Accordance With Generally
Accepted Government Auditing Standards**

None

Findings and Questioned Costs Related to Federal and State Awards

None