COLLIN COUNTY, TEXAS

SINGLE AUDIT REPORT

YEAR ENDED
SEPTEMBER 30, 2018

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*

To the 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, 2018, 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 22, 2019.

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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Waco, Texas
March 22, 2019

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE 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 requirements described in the *OMB 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, 2018. 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; the audit 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*. Those standards, the Uniform Guidance, 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, 2018.

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 the Uniform Guidance 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 were not identified.

<u>Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State of Texas *Uniform Grant Management Standards*</u>

We have audited 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 the County as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 22, 2019, 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 *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 the Uniform Guidance 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
March 22, 2019

COLLIN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED SEPTEMBER 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grantor's Pass-through Number	Federal Expenditures	Pass-through Expenditures
FEDERAL AWARDS				
U. S. Department of Agriculture				
Passed through the Texas Department of State Health Services:				
Special Supplemental Nutrition Program				
for Women, Infants, and Children	10.557	2017-049828-001A	$ 1,294,475	$ -
Total Passed through the Texas Department of State Health Services			1,294,475	-
Total U. S. Department of Agriculture			1,294,475	-
U. S. Department of Justice				
Passed though the Bureau of Justice Assistance:				
Equitable Sharing Program	16.922	N/A	5,365	-
Total Bureau of Justice Assistance			5,365	-
Passed through the Texas Office of the Governor, Criminal Justice Division:				
Victims of Crime Act Formula Grant Program	16.575	2896602	51,008	-
Victims of Crime Act Formula Grant Program	16.575	2877102	39,940	-
Total Passed through the Texas Office of the Governor, Criminal Justice Division			90,948	-
Passed through the City of Dallas:				
Missing Children's Assistance	16.543	2016-MC-FX-K034	12,319	-
Total Passed through the City of Dallas			12,319	-
Passed through the City of Plano:				
Edward Byrne Memorial Justice Assistance Grant Program 2016	16.738	2016-DJ-BX-0496	16,729	-
Total Passed through the City of Plano			16,729	-
Total U. S. Department of Justice			125,361	-
U. S. Department of the Treasury				
Direct program:				
Equitable Sharing Program	21.016	N/A	228	-
Total U. S. Department of the Treasury			228	-
U. S. Department of Health and Human Services				
Centers for Disease Control and Prevention:				
Passed through the Texas Department of State Health Services:				
Public Health Emergency Preparedness (PHEP) FY18	93.074	537-18-0128-00001	404,446	-
Public Health Emergency Preparedness (PHEP) FY19	93.074	537-18-0128-00001 A01	108,474	-
CPS/CRI CPS - Cities Readiness Initiative FY18	93.074	537-18-0141-00001	85,942	-
CPS/CRI CPS - Cities Readiness Initiative FY19	93.074	537-18-0141-00001 A01	24,784	-
Zika 2017	93.069	537-18-0348-00001	79,838	-
Tuberculosis Control Program 2017	93.116	2016-001388-01	19,918	-
Tuberculosis Control Program 2018	93.116	HHS000047600001	96,830	-
Immunization Outreach 2018	93.268	537-18-0052-00001	311,002	-
Immunization Outreach 2019	93.268	HHS000119700018	52,246	-
RLSS/LPHSRLSS/Local Public Health System - PnP 2017	93.758	537-18-0205-00001	20,581	-
Total Passed through the Texas Department of State Health Services			1,204,061	-
Total Centers for Disease Control and Prevention			1,204,061	-

COLLIN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
(Continued)
YEAR ENDED SEPTEMBER 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grantor's Pass-through Number	Federal Expenditures	Pass-through Expenditures
Passed through the Texas Department of Family and Protective Services:				
Title IV-E Foster Care (CPS) 2018	93.658	23939923	$ 242	$ -
Title IV-E Foster Care - Legal 2018	93.658	23939924	31,164	-
Total Passed through the Texas Department of Family and Protective Services			31,406	-
Total U. S. Department of Health and Human Services			1,235,467	-
Executive Office of the President				
Passed through the Drug Enforcement Administration:				
DEA Task Force II	95.001	N/A	7,799	-
Total Passed through Drug Enforcement Administration			7,799	-
Total Executive Office of the President			7,799	-
U.S. Department of Homeland Security				
Passed through the Governor's Division of Emergency Management:				
Homeland Security Grant Program 2015 Analyst	97.067	2979401	7,884	-
Homeland Security Grant Program 2016 Analyst	97.067	2979402	11,000	-
Homeland Security Grant Program 2016 MICP	97.067	3165001	30,999	-
2017 UASI - Collin County - Regional Fusion Center Analysts	97.067	2979403	218,763	-
Emergency Management Performance Grant 2018	97.042	17TX-EMPG-0082	82,006	-
Total Passed through the Governor's Division of Emergency Management			350,652	-
Total U. S. Department of Homeland Security			350,652	-
Total Federal Awards			$ 3,013,982	$ -

COLLIN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
(Continued)
YEAR ENDED SEPTEMBER 30, 2018

State Grantor/Pass-through Grantor/Program Title	Grantor's Pass-through Number	State Expenditures	Pass-through Expenditures
STATE AWARDS			
Texas Department of State Health Services			
Tuberculosis 2018	537-18-0031-00001	$ 135,121	$ -
Tuberculosis 2018	537-18-0031-00001 A01	19,091	-
RLSS-Local Public Health System (Comprehensive) 2017	537-18-0205-00001	3,867	-
Infectious Disease Control Unit/Foodborne Associated Infections Interviews 2017	537-18-0300-00001	173,424	-
Total Texas Department of State Health Services		331,503	-
Commission on State Emergency Communications			
Passed through North Central Texas Council of Governments:			
911 Addressing	N/A	47,286	-
Total Passed through North Central Texas Council of Governments		47,286	-
Total Commission on State Emergency Communications		47,286	-
Texas Task Force on Indigent Defense			
Collin County e-Management System for Indigent Defense	212-14-D05	242,550	-
Indigent Defense Formula Grant	212-18-043	669,757	-
Total Texas Task Force on Indigent Defense		912,307	-
State Comptroller of Public Accounts			
Chapter 19 Election	N/A	83,660	-
Total State Comptroller of Public Accounts		83,660	-
Office of the Attorney General			
Texas VINE Program	1876770-01	28,547	-
Total Office of the Attorney General		28,547	-
Texas Office of the Governor, Criminal Justice Division			
SF-State Criminal Justice Planning	2568106	9,258	-
SF-State Criminal Justice Planning	256107	2,390	-
SF-State Criminal Justice Planning	3261401	2,500	-
Total Texas Office of the Governor, Criminal Justice Division		14,148	-
US Army Corps of Engineers			
Increased Law Enforcement services Collin County	W912G18P0120	22,615	-
Texas Veterans Commission		22,615	-
Texas Veterans Commission			
Fund for Veterans' Assistance	VTC_17_0477	92,995	-
Fund for Veterans' Assistance	VTC_18_0598	42,888	-
Texas Veterans Commission		135,883	-
Total State Awards		$ 1,575,949	$ -

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SEPTEMBER 30, 2018

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.

3. INDIRECT COSTS

The County did not elect to apply the 10% de minimus indirect cost rate as allowed in the Uniform Guidance.

COLLIN COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

Summary of Auditors' Results

Financial Statements:	
Type of auditors' 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 auditors' 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) or the State of Texas *Uniform Grant Management Standards*	None
Identification of major federal program:	
CFDA Number:	Name of Program or Cluster:
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
Identification of major state program:	Name of Program:
	Indigent Defense Formula Grant
Dollar threshold used to distinguish between type A and type B federal programs	$750,000
Dollar threshold used to distinguish between type A and type B state programs	$300,000
Auditee qualified as low-risk auditee?	The Council was not classified as a low-risk auditee in the context of 2 CFR 200. The Council was classified as a low-risk auditee in the context of Texas *Uniform Grant Management Standards.*

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