

**POTTER COUNTY, TEXAS**

**SINGLE AUDIT REPORTS**

**FOR YEAR ENDED  
SEPTEMBER 30, 2022**

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**POTTER COUNTY, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**FOR YEAR ENDED SEPTEMBER 30, 2022**

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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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Potter County, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Potter County, Texas's basic financial statements, and have issued our report thereon dated March 20, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Potter County, Texas'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 Potter County, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of Potter County, Texas'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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Potter County, Texas'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 20, 2023



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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM, ON INTERNAL  
CONTROL OVER COMPLIANCE, AND 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 Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited Potter County, Texas's compliance with the types of compliance requirements identified as subject to audit 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 Potter County, Texas's major federal and state programs for the year ended September 30, 2022. Potter County, Texas's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Potter County, Texas 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, 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; 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*. Our responsibilities under those standards, the Uniform Guidance and *State of Texas Single Audit Circular*, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Potter County, Texas 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 Potter County, Texas'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 Potter County, Texas's federal and state programs.

### ***Auditors' 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 Potter County, Texas'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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Texas Single Audit Circular* 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 Potter County, Texas's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Texas Single Audit Circular*, 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 Potter County, Texas'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 Potter County, Texas'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 the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of Potter County, Texas'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 Auditors' 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 Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the *State of Texas Single Audit Circular***

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 Potter County, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Potter County, Texas's basic financial statements. We issued our report thereon dated March 20, 2023, which contained unmodified opinions on those financial statements. Our audit was performed 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 the 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.

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.

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

DOSHIER, PICKENS & FRANCIS, LLC

Amarillo, Texas

March 20, 2023



**POTTER COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR YEAR ENDED SEPTEMBER 30, 2022**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass Through Entity Identifying/ Contract Number	Expenditures, Indirect Costs and Refunds
<b>Federal Awards:</b>			
U.S. Department of Health and Human Services			
Texas Department of Family and Protective Services			
Title IV-E Legal Reimbursement	93.658	24730714	\$ 166,031
Texas Juvenile Justice Department			
Title IV-E Administrative & Foster Care Reimbursement	93.658	TJJD-IV-E-21-188	40,970
Office of the Attorney General			
Title IV-D - Child Support Enforcement - District Clerk	93.563	N/A	122,352
Title IV-D - Child Support Enforcement - Sheriff	93.563	N/A	21,206
U.S. Department of Justice			
Bureau of Justice Assistance			
State Criminal Alien Assistance Program (SCAAP)	16.606	2019-AP-BCX-0517	4,013
COVID Emergency Supplement	16.034	2020-VD-BX-0835	40,076
Texas Office of the Governor - Criminal Justice Division			
Victims of Crime Act Formula Grant	16.575	VA18V302093310	161,522
Violence Against Women	16.588	WF18V303358504	53,804
City of Amarillo, Texas			
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-DJ-BX-0516	7,100
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-21-GG-01859JAGX	43,970
U.S. Department of the Treasury			
Texas Department of Emergency Management			
COVID State and Local Fiscal Recovery Funds	21.027	N/A	529,932
Executive Office of the President			
Navarro County			
High Intensity Drug Trafficking Areas Program	95.001	N/A	<u>24,525</u>
Total Federal			<u><u>\$ 1,215,501</u></u>

**POTTER COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS**  
**FOR YEAR ENDED SEPTEMBER 30, 2022**

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	2219418	\$ 30,143
Victim Coordinator and Liason Grant	N/A	2215192	44,442
Department of Motor Vehicles			
Auto Burglary and Theft Prevention	N/A		369,341
Texas Office of the Governor			
Adult Drug Court	N/A	2761608	18,013
Adult Drug Court	N/A	2761609	68,097
Office of Court Administration			
Indigent Defense Formula Grant	N/A		103,710
Public Defender/Managed Assigned Counsel	N/A		61,817
Texas Juvenile Justice Department			
State Financial Assistance Fund	N/A	TJJD-A-22-188	977,287
Discretionary State Aid: Community Programs	N/A	TJJD-DSACP-22-188	49,500
Special Needs Diversionary Program	N/A	TJJD-M-22-188	55,711
Risk & Needs Assessment	N/A	TJJD-Risk&Needs-22-188	8,956
Texas Secretary of State			
Reimbursement for Auditable Voting Machines	N/A		<u>669,462</u>
Total StateAwards			<u>\$ 2,456,479</u>

**POTTER COUNTY, TEXAS**  
**NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS**  
**SEPTEMBER 30, 2022**

**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, 2022**

**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<br>_____    |
|   | Yes   | No            |
| • Significant deficiency(ies) identified that are not considered to be material weaknesses? | _____ | X<br>_____    |
|   | Yes   | None reported |
| Noncompliance material to financial statements noted?                                       | _____ | X<br>_____    |
|   | Yes   | No            |

**Federal Awards and State Awards:**

**Internal control over major programs:**

- |   |       |               |
|---|-------|---------------|
| • Material weakness (es) identified?  | _____ | X<br>_____    |
|   | Yes   | No            |
| • Significant deficiency(ies) identified that are not considered to be material weaknesses? | _____ | X<br>_____    |
|   | 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 Treasury, passed through Texas Department of Emergency Management  
 CFDA 21.027: COVID State and Local Fiscal Recovery Funds

**State**

Texas Juvenile Justice Department  
 TJJD-A-22-188: State Financial Assistance Fund  
 TJJD-DSACP-22-188: Discretionary State Aid: Community Programs  
 TJJD-M-22-188: Special Needs Diversionary Program  
 TJJD-Risk&Needs-22-188: Risk & Needs Assessment

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, 2022**

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

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**POTTER COUNTY, TEXAS**  
**SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS**  
**For Year Ended September 30, 2022**

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