FY20 NCTCOG Financial Audit Review

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Audit Background

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- The NCTCOG has an annual audit of its financial statements performed by an independent accounting firm.
- Whitley Penn was the C.P.A. firm that performed the FY 2020 audit.
- The NCTCOG procures its independent audit firm every five (5) years.
- Field work is typically completed by the audit staff from September to January each year and the final audit report is issued by mid-February.
- Audit results are presented to the NTCOG Audit and Executive Committees in February.

whitleypenn

Audit Standards

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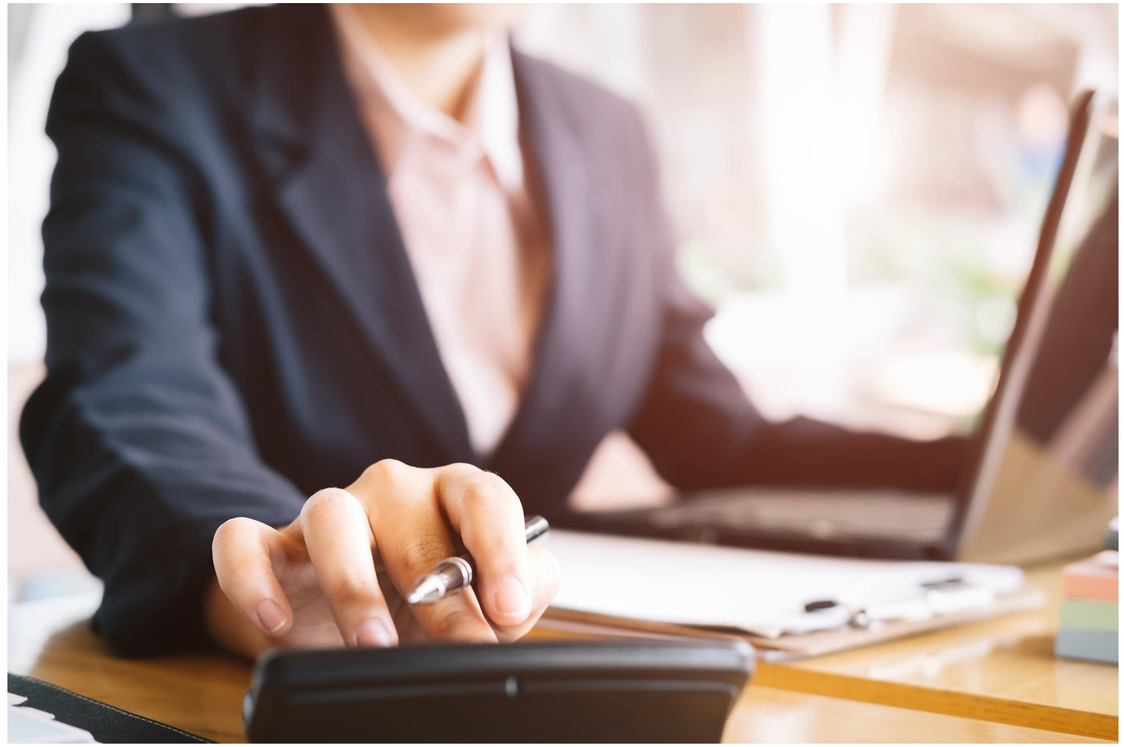
- The audit is performed in accordance with Government Auditing Standards (GAS), Uniform Guidance, and the Texas Uniform Grants Management Standards.

- The audit process is a risk-based approach in which samples are selected to identify potential areas of risk that could lead to material misstatements of the financial statements. Potential items to be reviewed could include:

  - Financial transactions
  - Staff Interviews
  - Policies and Procedures
  - Internal Audit Reports
  - Cost Allocations Plans
  - Reports to various Funding Agencies
  - Subrecipient Contracts



Audit Results

Whitley Penn issued the following reports and related opinions:

- Independent auditor's report on the financial statements:
  - Unmodified "clean" opinion
- Independent auditor's report on internal controls over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government auditing Standards:
  - No findings noted

Audit Results (cont'd)

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Independent auditor's report on compliance for each major program and on internal controls over compliance required by Uniform Guidance and Uniform Grant Management Standards (Schedule of Expenditures of Federal Awards (SEFA) and Schedule of Expenditures of State Awards (SESA) are the primary financial reports):

- Referred to as a "Single Audit"- A separate and distinct "Single Audit" is required for the federal and state funding sources only if the applicable funding (federal or state) exceed $750,000. Due to the NCTCOG's total of federal funds and state funds both exceeding $750,000, a "Single Audit" was issued for each.
- Major programs-The audit team will determine the major programs to be audited based on a prescribed formula established by the Uniform Guidance and Uniform Grant Management Standards (Workforce programs included Child Care (state portion) and Reemployment Services and Eligibility Assessment) .
- Unmodified "clean" Opinion-Issued on compliance for major programs
- No findings noted-Regarding significant deficiencies related to internal controls over major federal programs

SEFA / SESA Summary

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- (SEFA) Schedule of Expenditures of Federal Awards: $117,585,418
- (SESA) Schedule of Expenditures of State Awards: $15,155,041
- Total Federal and State Expenditures: $132,740,459

NCTCOG

FY2020 Expenditures by Funding Sources

Funding Sources	Expenditures
Schedule of Expenditures of Federal Awards	
U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	36,253
U.S. DEPARTMENT OF AGRICULTURE	775,423
U.S. DEPARTMENT OF COMMERCE	96,373
U.S. DEPARTMENT OF DEFENSE	172
U.S. DEPARTMENT OF ENERGY	124,414
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	67,990,995
U.S. DEPARTMENT OF HOMELAND SECURITY	2,082,450
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	20,632
U.S. DEPARTMENT OF LABOR	13,148,766
U.S. DEPARTMENT OF TRANSPORTATION	32,677,705
U.S. ENVIRONMENTAL PROTECTION AGENCY	632,235
Total Schedule of Expenditures of Federal Awards	**117,585,418**
Schedule of Expenditures of State Awards	
HEALTH AND HUMAN SERVICES	837,191
OFFICE OF THE GOVERNOR	740,504
TX WORKFORCE COMMISSION	10,319,636
TX VETERANS COMMISSION	131,750
TX COMM ON ENVIRON QUAL	286,803
TX DEPT OF TRANSPORTATION	2,839,157
Total Schedule of Expenditures of State Awards	**15,155,041**
Total Expenditures	**132,740,459**

Workforce Development

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FY2020 Expenditures by Funding Sources

Funding Sources	Expenditures
Schedule of Expenditures of Federal Awards	
DEPARTMENT OF AGRICULTURE	775,423
DEPARTMENT OF HEALTH AND HUMAN SERVICES	60,296,295
DEPARTMENT OF LABOR	13,148,766
Total Schedule of Expenditures of Federal Awards	**74,220,484**
Schedule of Expenditures of State Awards	
TX VETERANS COMMISSION	131,750
TX WORKFORCE COMMISSION	10,319,636
Total Schedule of Expenditures of State Awards	**10,451,386**
Total Expenditures	**84,671,870**

Workforce Development (cont'd)

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FY2020 Expenditures by Funding Sources/Grants

	SEFA			SESA	
Grant	Department of Agriculture	Department of Health and Human Services	Department of Labor	State of Texas	Grand Total
CORE GRANTS					
CHILDCARE		57,067,535		9,752,797	66,820,332
EMPLOYMENT SERVICES		378,774	658,525	5,705	1,043,004
NCP		146,034		110,098	256,132
SNAP	775,423			125,686	901,109
TAA			483,335		483,335
TANF		2,696,200		325,350	3,021,550
VETERANS				131,750	131,750
WIOA			10,777,652		10,777,652
CORE GRANTS TOTAL	**775,423**	**60,288,543**	**11,919,512**	**10,451,386**	**83,434,864**
OTHER GRANT TOTAL		**7,752**	**1,229,254**		**1,237,006**
Grand Total	**775,423**	**60,296,295**	**13,148,766**	**10,451,386**	**84,671,870**

Conclusion

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  - No findings noted
- Independent auditor's report on compliance for each major program and on internal controls over compliance required by Uniform guidance and Uniform Grant Management Standards (Single Audit):
  - Unmodified "clean" Opinion-Issued on compliance for major programs
  - No findings noted-Regarding significant deficiencies related to internal controls over major federal programs

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Questions?

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