

# **JEFFERSON COUNTY, TEXAS**

## **SINGLE AUDIT REPORT**

**For Fiscal Year  
September 30, 2013**



**JEFFERSON COUNTY, TEXAS**

**SINGLE AUDIT REPORT**

**TABLE OF CONTENTS**

**SEPTEMBER 30, 2013**

	<b><u>Page Number</u></b>
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 <i>Government Auditing Standards</i> .....	1 – 2
Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 .....	3 – 5
Schedule of Expenditures of Federal Awards.....	6 – 10
Notes to Schedule of Expenditures of Federal Awards .....	11
Schedule of Findings and Questioned Costs.....	12
Summary Schedule to Prior Audit Findings .....	13 – 15

**THIS PAGE LEFT BLANK INTENTIONALLY**



PATTILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**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 Commissioners Court  
Jefferson 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, the business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County, Texas ("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, and have issued our report thereon dated March 31, 2014.

**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) 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 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. 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 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 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 31, 2014



PATTILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Honorable County Judge  
and Commissioners' Court  
Jefferson County, Texas

**Report on Compliance for Each Major Federal Program**

We have audited Jefferson County, Texas' ("the County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2013. The County's major federal 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 programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those 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 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 program. However, our audit does not provide a legal determination of the County's compliance.

## ***Opinion on Each Major Federal 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 other major federal 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 program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 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 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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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 31, 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 awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 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. Accordingly, this report is not suitable for any other purpose.

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

Waco, Texas  
March 31, 2014

**THIS PAGE LEFT BLANK INTENTIONALLY**

**JEFFERSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED SEPTEMBER 30, 2013**

<b>Federal Grantor/Pass-through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Grantor's ID Number</b>	<b>Federal Expenditures</b>
<b><u>U. S. Department of Agriculture</u></b>			
Passed through the Texas Department of Agriculture			
Summer Food Service Program	10.559	123-1007	<u>2,640</u>
Total Passed through the Texas Department of Agriculture			<u>2,640</u>
Total U. S. Department of Agriculture			<u>2,640</u>
<b><u>U. S. Department of Housing and Urban Development</u></b>			
Passed through the Texas General Land Office			
Community Development Block Grants/States Program - Ike	14.228	DRS-010219	2,720,277
Cheek Step Sewer Improvement	14.228	GLO-711281	<u>35,500</u>
Total Passed through the Texas General Land Office			<u>2,755,777</u>
Total U. S. Department of Housing and Urban Development			<u>2,755,777</u>
<b><u>U. S. Department of the Interior</u></b>			
Passed through Bureau of Ocean Energy Management, Regulation and Enforcement			
Coastal Impact Assistance Program - Admin	15.426	M11AF00076	<u>1,920</u>
Total Passed through Bureau of Ocean Energy Management, Regulation and Enforcement			<u>1,920</u>
Passed through U.S. Fish and Wildlife Service			
Coastal Impact Assistance	15.668	F12AF70144	1,081,296
Coastal Impact Assistance	15.668	F12AF01207	<u>88,302</u>
Total Passed through U.S. Fish and Wildlife Service			<u>1,169,598</u>
Total U. S. Department of the Interior			<u>1,171,518</u>
<b><u>U. S. Department of Justice</u></b>			
Passed through the City of Beaumont			
Edward Byrne Memorial Formula Grant Program	16.579	2010DJBX0139	1,092
Edward Byrne Memorial Formula Grant Program	16.579	2011DJBX3245	20,090
Edward Byrne Memorial Formula Grant Program	16.579	2012DJBX0253	<u>15,388</u>
Total Passed through the City of Beaumont			<u>36,570</u>

**JEFFERSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED SEPTEMBER 30, 2013**

<b>Federal Grantor/Pass-through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Grantor's ID Number</b>	<b>Federal Expenditures</b>
<b><u>U. S. Department of Justice</u></b>			
Passed through the Office of Attorney General			
Project Safe Neighborhoods	16.609	2011-GPBX-0051	<u>19,045</u>
Total Passed through the Office of Attorney General			<u>19,045</u>
Passed through the Office of the Governor, Criminal Justice Division			
Violence Against Women Formula Grants	16.588	13466-15	71,711
Violence Against Women Formula Grants	16.588	13466-16	<u>8,625</u>
Total Program 16.588			<u>80,336</u>
Crime Victim Assistance - Crime Victim's Clearinghouse	16.575	21032-04	45,838
Crime Victim Assistance - Crime Victim's Clearinghouse	16.575	21032-05	<u>4,162</u>
Total Program 16.575			<u>50,000</u>
Juvenile Accountability Block Grants	16.523	17327-08	19,201
Juvenile Accountability Block Grants	16.523	17327-09	<u>1,051</u>
Total Program 16.523			<u>20,252</u>
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	18129-03	<u>24,351</u>
Total Passed through the Office of the Governor, Criminal Justice Division			<u>174,939</u>
Direct Program			
State Criminal Alien Assistance Program (SCAAP)	16.606	2010APBX0304	6,057
State Criminal Alien Assistance Program (SCAAP)	16.606	2011APBX0305	<u>15,751</u>
Total Program 16.606			<u>21,808</u>
Total U. S. Department of Justice			<u>252,362</u>

**JEFFERSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED SEPTEMBER 30, 2013**

<b>Federal Grantor/Pass-through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Grantor's ID Number</b>	<b>Federal Expenditures</b>
<b><u>U. S. Department of Transportation</u></b>			
Passed through Federal Aviation Administration			
Rehabilitation of the North General Aviation Apron, Wildlife Hazard Assessment, Airfield Approach/Geometry Study, Acquisition of Airfield Sweeper, and Environmental Assessment for West Ditch	20.106	3-48-0018-027-2010	2,865
Design Only of Runway Safety Area Improvements, New Electrical Vault, Taxiway D Replacement, Airport Operating Area Security Improvements, and Update Airport Layout	20.106	3-48-0018-029-2012	<u>993,308</u>
Total Passed through Federal Aviation Administration			<u>996,173</u>
Passed through Texas Department of Transportation			
Click it or Ticket	20.601	2013-JeffersonCoSO-S-CIOT-26	5,464
Violent Offender Task Force	20.601	2013-JLEOTFS4-25302-TFO	11,954
Selective Traffic Enforcement Program - Impaired Driver Mobilization	20.601	2014-Jefferson-S-IYG-0073	<u>369</u>
Total Passed through Texas Department of Transportation			<u>17,787</u>
Total U. S. Department of Transportation			<u>1,013,960</u>
<b><u>U. S. Election Commission</u></b>			
Passed through Texas Secretary of State			
Help America Vote Act Requirements Payments - General HAVA Compliance/Voting System Replacement	90.401	N/A	<u>75,325</u>
Total Passed through the Texas Secretary of State			<u>75,325</u>
Total U. S. Election Commission			<u>75,325</u>
<b><u>U. S. Department of Health and Human Services</u></b>			
Passed through Texas Department of Family & Protective Services			
Children's Justice Grants to State - Family Group Conferencing	93.643	23362284	-
Foster Care - Title IV-E Child Welfare Services	93.658	23939002	48,817
Foster Care - Title IV-E Legal Services	93.658	23939003	<u>47,683</u>
Total Passed through Texas Department of Family & Protective Services			<u>96,500</u>

**JEFFERSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED SEPTEMBER 30, 2013**

<b>Federal Grantor/Pass-through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Grantor's ID Number</b>	<b>Federal Expenditures</b>
<b><u>U. S. Department of Health and Human Services</u></b>			
Passed through Texas Juvenile Probation Commission			
Foster Care - Title IV-E - Reimbursement Program	93.658	TJPC-E-2012-123	<u>8,789</u>
Total Passed through Texas Juvenile Probation Commission			<u>8,789</u>
Passed through Texas Department of State Health Services			
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	DIAB/CDSP 2012-040780-001	<u>23,246</u>
Total Passed through Texas Department of State Health Services			<u>23,246</u>
Total U. S. Department of Health and Human Services			<u>128,535</u>
<b><u>Office of National Drug Control Policy</u></b>			
Direct Program			
High Intensity Drug Trafficking Area	95.001	G12HN0010A - DHE	<u>34,813</u>
Total Office of National Drug Control Policy			<u>34,813</u>
<b><u>U. S. Department of Homeland Security</u></b>			
Passed through the Texas Division of Emergency Management			
Homeland Security Grant Program - 2011 SHSP	97.073	EMW-2011-SS-00019	17,127
Homeland Security Grant Program - 2011 SHSP LEAP	97.073	EMW-2011-SS-00019	9,956
Homeland Security Grant Program - 2012 SHSP	97.073	EMW-2012-SS-00018-S01	<u>25,141</u>
Total Program 97.073			<u>52,224</u>
<b><u>U. S. Department of Homeland Security</u></b>			
Passed through the Texas Division of Emergency Management			
Hazard Mitigation Grant DR 1791-001/004	97.039	FEMA-1791-DR-001/004	1,630
Emergency Management Performance Grant	97.042	12TX-EMPG-0389	<u>29,481</u>
Total Passed through the Texas Division of Emergency Management			<u>83,335</u>

**JEFFERSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED SEPTEMBER 30, 2013**

<b>Federal Grantor/Pass-through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Grantor's ID Number</b>	<b>Federal Expenditures</b>
<b><u>U. S. Department of Homeland Security</u></b>			
Direct Programs			
ARRA Port Security Grant	97.116	2009PUR10410	984,375
2008 Port Security Grant	97.056	2008-GB-T8-K007	1,366,257
2009 Port Security Grant	97.056	2009-PU-T9-K002	2,945,042
2010 Port Security Grant	97.056	2010-PU-T0-K040	2,927,008
2011 Port Security Grant	97.056	EMW2011PUK00134	1,537,383
2012 Port Security Grant	97.056	EMW2012PU00156	<u>83,876</u>
Total Direct Programs			<u>9,843,941</u>
Total U. S. Department of Homeland Security			<u>9,927,276</u>
Total Expenditures of Federal Awards			<u>15,362,206</u>

## JEFFERSON COUNTY, TEXAS

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

SEPTEMBER 30, 2013

1. The County utilizes the fund types specified in the Resource Guide.

Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Capital Projects Funds are used to account for all resources used for the acquisition or construction of capital facilities. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. GASB Statement No. 54 allows grants used for the construction or acquisition of capital assets to be accounted for in the Capital Projects Funds. Generally, used balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types and private purpose trust fund types are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the Special Revenue Fund, a component of the governmental fund type, with the exception of the Office of Rural Affairs grants, which are recorded in Capital Projects Funds, due to the implementation of GASB Statement 54. Capital Projects Funds also are a component of the government fund type. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the governmental funds, the private purpose trust funds, and agency funds. This basis of accounting recognizes revenue in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period, extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H. Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement updated as of June 2013.

**JEFFERSON 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? None

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? None

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? None

Significant deficiency(ies) identified? None

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? None

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster:</u>
15.426, 15.668	Coastal Impact Assistance
14.228	Community Development Block Grant
97.116 ARRA, 97.056	Port Security Grant

Dollar threshold used to distinguish between type A and type B programs \$460,866

Auditee qualified as low-risk auditee? No

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

None

**Findings and Questioned Costs for Federal Awards**

None

**JEFFERSON COUNTY, TEXAS**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

**Findings and Questioned Costs for Federal Awards**

**Item 2012 – 1:**

**Port Security Program – Sub-recipient Monitoring**

**Condition:**

The County did not properly perform sub-recipient monitoring of the Sub- recipient’s administration of Davis-Bacon Act for the Port Security Program.

**Criteria:**

The County receives grant funds for the Federal Port Security Grant. The County in turn sends that money to sub-recipient’s to administer the program. The grant agreement states that the County is required to monitor the sub-recipient’s administration of Davis-Bacon Act for the Port Security Grant Program.

**Effect:**

The County is not certain that the Port Security Program plan was administered properly by the sub-recipients.

**Cause:**

The County did not properly monitor the Port Security Grant Program for sub-recipient compliance with the Davis-Bacon Act.

**Current Status:**

This matter has been resolved.

## JEFFERSON COUNTY, TEXAS

### SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

**Item 2012 – 2:**

**Port Security Program – FFATA**

**Condition:**

The County did not comply with the FFATA reporting requirements for the Port Security Program. The county did not report such awards subject to FFATA and lacks controls to determine when the FFATA report requirements are applicable.

**Criteria:**

The Federal Funding Accountability and Transparency Act (FFATA) requires the Office of Management and Budget (OMB) to maintain a single, searchable website that contains information on all Federal spending awards. FFATA prescribes specific pieces of information to be reported. For grants and cooperative agreements, the effective date is October 1, 2010 for all discretionary and mandatory awards equal to or exceeding \$25,000 made with a new Federal Assistance Identification Number (FAIN) on or after that date.

Once the requirement applies, the recipient must report, for any subaward under the award with a value of \$25,000 or more, each obligating action of \$25,000 or more in Federal Funds. Recipients are not required to report on subawards made on or after October 1, 2010 that use funds awarded prior to that date.

For contracts, implementation was phased in based on their total dollar value. Based on the FAR interim final rule, FFATA reporting is required for:

- Starting March 1, 2011, any newly awarded subcontract of \$25,000 or more must be reported if the value of the Federal prime contract award under which that subcontract was awarded was \$25,000 or more.

Grant and cooperative agreement recipients and contractors are required to register in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS) and report subaward data through FSRS. To do so, they are first required to register in Central Contractor Registration (CCR) and actively maintain the registration.

Grant and cooperative agreement recipients and contractors must report information related to a subaward by the end of the month following the month in which the subaward or obligation of \$25,000 or greater was made, and for contracts, the month in which the modification was issued that changed previously reported information.

**JEFFERSON COUNTY, TEXAS**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

**Item 2012 – 2:**

**Port Security Program – FFATA**

**Effect:**

The County was not aware of the reporting requirements for FFATA, as applicable to the Port Security Program, resulting in noncompliance with those reporting requirements.

**Cause:**

The County was not aware that for audits of fiscal years ending on or after June 30, 2011 reporting requirements of the FFATA are applicable to the Port Security program. The county did not note the program requirement and did not take action to be in compliance with the reporting requirements.

**Current Status:**

This matter has been resolved.