

CHAMBERS COUNTY, TEXAS

SINGLE AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

Prepared by:
County Auditor's Office

Aaron Thomas
County Auditor

CHAMBERS COUNTY, TEXAS

SINGLE AUDIT REPORT

TABLE OF CONTENTS

DECEMBER 31, 2021

Independent Auditor’s 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 Auditor’s Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance in Accordance with the <i>Uniform Guidance</i> and the State of Texas <i>Uniform Grant Management Standards</i>	3 – 5
Schedule of Expenditures of Federal and State Awards.....	6 – 7
Notes to Schedule of Expenditures of Federal and State Awards	8
Schedule of Findings and Questioned Costs	9
Schedule of Prior Audit Findings	10

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INDEPENDENT AUDITOR'S 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
Chambers 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 Chambers County, Texas, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Chambers County, Texas' basic financial statements, and have issued our report thereon dated June 28, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chambers County, Texas' internal control over financial reporting (internal control) as a basis for designing 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 Chambers County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Chambers 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 or significant deficiencies may exist that have not been identified.

OFFICE LOCATIONS

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chambers 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 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.

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

Waco, Texas
June 28, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL AND STATE PROGRAM AND REPORT 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
Chambers County, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal Program

We have audited Chambers County, Texas's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the State of Texas *Uniform Grant Management Standards* ("UGMS") that could have a direct and material effect on each of Chambers County, Texas' major federal and state programs for the year ended December 31, 2021. Chambers County, Texas' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Chambers County, Texas complied, in all material respects, with the 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 December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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); and UGMS. Our responsibilities under those standards, the Uniform Guidance and UGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Auditor's 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 Chambers County, Texas' 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 GAAS, *Government Auditing Standards*, the Uniform Guidance and *UGMS* 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 Chambers County, Texas' compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and *UGMS*, 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 Chambers County, Texas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Chambers County, Texas' 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 *UGMS*, but not for the purpose of expressing an opinion on the effectiveness of Chambers County, Texas' 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 Auditor's 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 the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and UGMS

We have audited the financial statements of Chambers County, Texas as of and for the year ended December 31, 2021, and have issued our report thereon dated June 28, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and UGMS and is not a required part of the 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 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 financial statements or to the 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 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 *Uniform Guidance* and *UGMS*. Accordingly, this report is not suitable for any other purpose.

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

Waco, Texas
June 28, 2022

CHAMBERS COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number	Federal Expenditures	Pass-Through Expenditures
FEDERAL AWARDS				
<u>U. S. DEPARTMENT OF AGRICULTURE</u>				
Passed through Texas Department of State Health Services:				
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	2019-049798-001	\$ 112,192	\$ -
Total Passed through Texas Department of State Health Services			<u>112,192</u>	<u>-</u>
Total U. S. Department of Agriculture			<u>112,192</u>	<u>-</u>
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed through Texas General Land Office:				
Community Development Block Grant - Disaster - Non-Housing	14.228	DRS010024	202,300	-
Total Passed through Texas General Land Office			<u>202,300</u>	<u>-</u>
Total U. S. Department of Housing and Urban Development			<u>202,300</u>	<u>-</u>
<u>U. S. DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION</u>				
Passed through Texas Department of Transportation:				
Airport Improvement Program - Anahuac	20.106	M2020ANAH	20,284	-
Airport Improvement Program - Anahuac	20.106	M2021ANAH	20,898	-
Airport Improvement Program - Winnie	20.106	M2020WINNI	6,157	-
Airport Improvement Program - Winnie	20.106	M2021WINNI	15,330	-
Total Passed through Texas Department of Transportation			<u>62,669</u>	<u>-</u>
Total U. S. Department of Transportation, Federal Aviation Administration			<u>62,669</u>	<u>-</u>
<u>NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION</u>				
Passed through Texas Department of Transportation:				
STEP - Impaired Driving Mobilization (Highway Safety Cluster)	20.616	18X920405DTX19	58,653	-
Total Passed through Texas Department of Transportation			<u>58,653</u>	<u>-</u>
Total National Highway Traffic Safety Administration			<u>58,653</u>	<u>-</u>
<u>U.S. DEPARTMENT OF THE TREASURY</u>				
Passed through Texas Division of Emergency Management:				
COVID-19 Coronavirus Relief Fund	21.019	2020-CF-21019	150,480	-
Total Passed through Texas Division of Emergency Management			<u>150,480</u>	<u>-</u>
Direct Program:				
COVID-19 Coronavirus Local Fiscal Recovery Fund	21.027	n/a	52,500	-
Total U.S. Department of the Treasury			<u>202,980</u>	<u>-</u>
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>				
Passed through Texas State Library and Archives Commission:				
ILL Lending Reimbursement Program	45.310	LS-00-16-0044-16	882	-
Total Passed through Texas State Library and Archives Commission			<u>882</u>	<u>-</u>
Total Institute of Museum and Library Services			<u>882</u>	<u>-</u>

CHAMBERS COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number	Federal Expenditures	Pass-Through Expenditures
FEDERAL AWARDS (continued)				
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Texas Department of State Health Services:				
Public Health Emergency Preparedness (PHEP) - CRI	93.069	537-18-0184-00001	3,493	-
Public Health Emergency Preparedness (PHEP) - CPS/Hazards	93.069	537-18-0166-00001	72,795	-
Public Health Emergency Preparedness (PHEP) - COAG/LHD	93.069	HHS000371500028	39,861	-
Public Health Emergency Preparedness (PHEP) - COVID-19 I	93.069	HHS000768400001	74,028	-
Public Health Emergency Preparedness (PHEP) - Health Disparities	93.069	HHS001057600010	18,645	-
Public Health Emergency Preparedness (PHEP) - Workforce	93.069	HHS001076000001	27,344	-
Public Health Emergency Preparedness (PHEP) - Covid Immunization	93.069	HHS001019500008	<u>140,632</u>	<u>-</u>
Total Passed through Texas Department of State Health Services			<u>376,798</u>	<u>-</u>
Passed through Brazos Valley Community Action Agency (BVCAA):				
Community Services Block Grant	93.569	n/a	<u>25,000</u>	<u>-</u>
Total Passed through BVCAA			<u>25,000</u>	<u>-</u>
Total U. S. Department of Health and Human Services			<u>401,798</u>	<u>-</u>
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed through United Way:				
Emergency Food and Shelter Program	97.024	793800-001	<u>13,185</u>	<u>-</u>
Total Passed through United Way			<u>13,185</u>	<u>-</u>
Passed through Texas Division of Emergency Management:				
FEMA Public Assistance Grant, 4332, Texas Hurricane Harvey	97.036	4332DRTXP0000001	312,482	-
FEMA Public Assistance Grant, 3450, Tropical Storms Marco and Lau	97.036	3540EM-TX	<u>105,512</u>	<u>-</u>
Subtotal Assistance Listing Number 97.036			<u>417,994</u>	<u>-</u>
Emergency Management Performance Grant	97.042	19TX-EMPG-0377	<u>29,981</u>	<u>-</u>
Total Passed through Texas Division of Public Safety			<u>447,975</u>	<u>-</u>
Total U. S. Department of Homeland Security			<u>461,160</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 1,502,634</u>	<u>\$ -</u>
State Grantor/Pass-through Grantor/Program Title			Pass-through Grantor's Number	State Expenditures
STATE AWARDS				
TEXAS WATER DEVELOPMENT BOARD				
Flood Infrastructure Grant		G1001277	<u>758,988</u>	
Total Texas Water Development Board			<u>758,988</u>	
Total State Expenditures			<u>\$ 758,988</u>	

CHAMBERS COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

DECEMBER 31, 2021

1. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal grant and state activity of Chambers County, Texas, and is presented on the accrual basis of accounting. The information in the SEFSA is presented in accordance with the requirements of *OMB Compliance Supplement*; 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State of Texas Uniform Grant Management Standards (UGMS). Therefore, some amounts presented in the SEFSA may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. INDIRECT COST RATE

The County has elected not to use the 10% de minimis indirect cost rate allowed in the Uniform Guidance.

CHAMBERS COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Summary of Auditor's Results

Financial Statements:

Type of auditor's 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?	None

Federal and State Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	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 200.516(a) of Uniform Guidance or the State of Texas Uniform Grant Managemtn Standards	None
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Identification of major programs:

Assistance Listing Number(s)	Name of Federal or State Program or Cluster:
93.069	Public Health Emergency Preparedness (PHEP)
State	Texas Water Development Board Flood Infrastructure Grant

Dollar threshold used to distinguish between type A and type B federal programs	\$750,000
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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 for federal single audit?	Yes
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Auditee qualified as low-risk auditee for state single audit?	No
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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 and State Awards

None

CHAMBERS COUNTY, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

None

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