

**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

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DECEMBER 31, 2021

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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.

**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 determining 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 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 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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**OFFICE LOCATIONS**

**TEXAS** | Waco | Temple | Hillsboro | Houston  
**NEW MEXICO** | Albuquerque



**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 *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**

We have audited Chambers County, Texas' compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (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.

***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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Chambers County, Texas' 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 *UGMS*. Those standards, *Uniform Guidance* and *UGMS*, 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 and state program occurred. An audit includes examining, on a test basis, evidence about Chambers County, Texas' 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 Chambers County, Texas' compliance.

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

In our opinion, Chambers 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 December 31, 2021.

## **Report on Internal Control Over Compliance**

Management of Chambers County, Texas 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 Chambers County's, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 Uniform Guidance and 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 Chambers County, Texas' 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.

## **Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited 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. We issued our report thereon dated June 28, 2022, 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 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 *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
<b><u>FEDERAL AWARDS</u></b>				
<b><u>U. S. DEPARTMENT OF AGRICULTURE</u></b>				
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>
<b><u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
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>
<b><u>U. S. DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION</u></b>				
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>
<b><u>NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION</u></b>				
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>
<b><u>U.S. DEPARTMENT OF THE TREASURY</u></b>				
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>
<b><u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u></b>				
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
<b>FEDERAL AWARDS (continued)</b>				
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
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>
<b>U. S. DEPARTMENT OF HOMELAND SECURITY</b>				
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
<b>STATE AWARDS</b>				
<b>TEXAS WATER DEVELOPMENT BOARD</b>				
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 State	Public Health Emergency Preparedness (PHEP) 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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