

CALHOUN COUNTY TEXAS
COMPLIANCE
FEDERAL AND STATE AWARDS

For the Year Ended

December 31, 2021



CALHOUN COUNTY, TEXAS
FEDERAL AND STATE SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021

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Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

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*

INDEPENDENT AUDITOR'S REPORT

The Honorable Judge and Members of Commissioners' Court
Calhoun County, Texas

We have audited, in accordance with 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, each major fund, and the aggregate remaining fund information of Calhoun County, Texas, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Calhoun County, Texas, basic financial statements and have issued our report thereon dated July 15, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Calhoun County, Texas' 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 Calhoun County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the Calhoun 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 city'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 over financial reporting 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 Calhoun County's financial statements are free of 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 the 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*.

We noted certain matters that we have reported to management of the Calhoun County, Texas in a separate letter dated July 15, 2022.

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.



Armstrong, Vaughan & Associates, P.C.

July 15, 2022



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the Commissioners' Court
Calhoun County, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Calhoun County's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Calhoun County's major federal program for the year ended December 31, 2021. Calhoun County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Calhoun County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program 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; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Calhoun County 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 program. Our audit does not provide a legal determination of Calhoun County'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 Calhoun County's federal 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 Calhoun County'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance 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 Calhoun County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 Calhoun County'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 Calhoun County'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, but not for the purpose of expressing an opinion on the effectiveness of Calhoun County'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

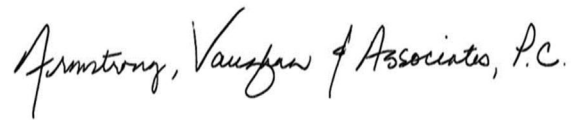
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 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 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.

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. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

July 15, 2022



CALHOUN COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2021

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial Statements noted? Yes No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? 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 CFR Part 200 of the Uniform Guidance? Yes No

Identification of major programs:

<u>CFDA Number</u> 14.228	<u>Name of Federal Program or Cluster</u> Community Development Block Grant – Disaster Recovery
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Dollar threshold used to distinguish between Type A and type B Programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

CALHOUN COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Explanation Finding/Recommendation</u>	<u>Current Status</u>	Management's Explanation <u>If Not Implemented</u>
Not Applicable		

CALHOUN COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>FEDERAL AWARDS</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Federal Grantor/Pass-through Grantor/Program Title			
U.S. DEPARTMENT OF CENTERS FOR DISEASE CONTROL AND PREVENTION			
Passed Through Texas Health and Human Services Commission DSHS			
2017 Hurricane Public Health Crisis Response	93.354	HHS000371500003	\$ 5,851
TOTAL U.S. DEPARTMENT CENTERS FOR DISEASE CONTROL AND PREVENTION			<u>5,851</u>
U.S. DEPARTMENT OF ELECTION ASSISTANCE COMMISSION			
Passed Through Texas Secretary of State			
2020 Help America Vote Act (HAVA) Election Security	90.404	TX18101001-01-029	120,000
TOTAL U.S. DEPARTMENT OF ELECTION ASSISTANCE COMMISSION			<u>120,000</u>
U.S. DEPARTMENT OF GENERAL SERVICES COMMISSION			
Texas Facilities Commission/Federal Surplus Property Program	39.003	N/A	472
TOTAL U.S. DEPARTMENT OF GENERAL SERVICES COMMISSION			<u>472</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Provider Relief Fund	93.498	N/A	2,997
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>2,997</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through Texas Office of the Governor			
Homeland Security Grant Program	97.067	SHSP LETPA	8,609
Homeland Security Grant Program	97.067	Calhoun-2019 OPSG	18,660
Homeland Security Grant Program	97.067	Calhoun-2020 OPSG	105,869
Total Passed Through Texas Office of the Governor			<u>133,138</u>
Passed Through Texas Department of Public Safety			
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - Texas Hurricane Harvey	97.036	FEMA-DR-4332-TX	(14,336)
Total Passed Through Texas Department of Public Safety			<u>(14,336)</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>118,802</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Texas General Land Office			
Community Development Block Grant	14.228	20-065-064-C182	566,974
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>566,974</u>
U.S. DEPARTMENT OF THE INTERIOR			
Passed Through Texas Parks and Wildlife			
2018 Boating Access Grant Program	15.605	FD-TX-F-303B	1,350
TOTAL U.S. DEPARTMENT OF THE INTERIOR			<u>1,350</u>
U.S. DEPARTMENT OF JUSTICE			
Passed Through Office of the Governor			
Coronavirus Emergency Supplemental Funding Program	16.034	4152301	3,127
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>3,127</u>
U.S. DEPARTMENT OF TREASURY			
Coronavirus State Fiscal Recovery Fund	21.027	N/A	183,860
TOTAL U.S. DEPARTMENT OF TREASURY			<u>183,860</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,003,433</u>

CALHOUN COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>STATE AWARDS</u>	<u>Pass-Through Entity Identifying Number</u>	<u>State Expenditures</u>
OFFICE OF ATTORNEY GENERAL		
SAVNS Maintenance Contract 9/1/20-8/31/21	2110716	\$ 5,974
SAVNS Maintenance Contract 9/1/21-8/31/22	2110716	1,997
Passed Through Office of Attorney General		
Law Enforcement Training	N/A	<u>579</u>
Total Office of Attorney General		<u>8,550</u>
TEXAS DEPARTMENT OF HEALTH		
EMS/Trauma Care System - GCRAC	FY21 911-1131-3588	<u>12,527</u>
Total Texas Department of Health		<u>12,527</u>
TEXAS GENERAL LAND OFFICE		
Pump-Out Bilge	GLO 14-104-000-7994	<u>1,000</u>
Total Texas General Land Office		<u>1,000</u>
TEXAS TASK FORCE ON INDIGENT DEFENSE		
Formula Grant	212-12-029 (FY 2021)	20,459
Formula Grant	212-12-029 (FY 2022)	<u>6,800</u>
Total Texas Task Force on Indigent Defense		<u>27,259</u>
TEXAS DEPARTMENT OF PUBLIC SAFETY		
Hurricane Harvey Cat B, C, D, E, G - Local Share	SB7, 86th Legislature	<u>4,687</u>
Total Texas Department of Public Safety		<u>4,687</u>
TEXAS DEPARTMENT OF TRANSPORTATION		
County Transportation Infrastructure Fund (2020)	CTIF 02 029	109,615
Passed Through Division of Aviation		
RAMP Grant (Routine Airport Maint Prog) FYE 8/31/2021	M2113PTLA	<u>13,661</u>
Total Texas Department of Transportation		<u>123,276</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u>\$ 177,299</u>

CALHOUN COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Calhoun County, Texas and is presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ in amounts presented in, or used in the preparation of, the financial statements.

Currently, the County has elected not to use the 10% de Minimis cost rate.

