

SINGLE AUDIT REPORTS
HARDIN COUNTY, TEXAS

**For the Year Ended
September 30, 2022**

HARDIN COUNTY, TEXAS

SINGLE AUDIT REPORTS

September 30, 2022

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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
Members of the Commissioners' Court of
Hardin 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, each major fund, and the aggregate remaining fund information of Hardin County, Texas (the "County") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 18, 2023.

Report on 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) as a basis for designing 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 County'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 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.

Report on 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 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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
August 18, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Honorable County Judge and
Members of the Commissioners' Court of
Hardin County, Texas:

Opinion on Each Major Federal Program

We have audited Hardin County, Texas, Texas' (the "County") 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 each of the County's major federal programs for the year ended September 30, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 major federal programs for the year ended September 30, 2022.

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; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 the 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 the County's federal programs.

Auditors' 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 the 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 generally accepted auditing standards, *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 the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 the 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 the 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 the 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 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 Auditors' 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 have not been 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 Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated August 18, 2023, 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 the Uniform Guidance 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
August 18, 2023

HARDIN COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended September 30, 2022

A. SUMMARY OF PRIOR YEAR AUDIT FINDINGS

None

HARDIN COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2022

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements of Hardin County, Texas (the "County").
2. No instances of material weaknesses or significant deficiencies in internal control were disclosed by the audit of the financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No material weaknesses or significant deficiencies in internal control over major federal award programs were disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs expresses an unmodified opinion.
6. No audit findings that are required to be reported in Part C of this schedule.
7. No audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
8. The programs included as major programs are:

<u>AL Number</u>	<u>Program Name</u>
93.268	Immunization Cooperative Agreements

9. The threshold for distinguishing Type A and B programs was \$750,000.
10. The County did qualify as a low-risk auditee.

B. FINDINGS – BASIC FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS – FEDERAL AWARDS

None

HARDIN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (page 1 of 3)

For the Year Ended September 30, 2022

Department/Pass-Through Agency/Program Name	Program/Grant/ Project Number	AL Number	Expenditures
US DEPARTMENT OF AGRICULTURE			
<i>Pass-through Department of State Health Services:</i>			
NNS-WIC Local Agency	HHS000804300001	10.557	\$ 309,407
Total US Department of Agriculture			309,407
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Pass-through Texas General Land Office:</i>			
Community Development Block Grant	20-065-145-C857	14.228	368,280
Community Development Block Grant	20-066-041-C266	14.228	74,421
Subtotal			442,701
<i>Pass-through Texas Department of Agriculture:</i>			
Community Development Block Grant	7720189	14.228	4,688
Total US Department of Housing and Urban Development			447,389
US DEPARTMENT OF JUSTICE			
<i>Pass-Through Office of the Governor, Criminal Justice Division:</i>			
Felony VAWA Prosecutor	2826908	16.588	62,930
Felony VAWA Prosecutor	2826909	16.588	10,820
Subtotal			73,750
Victims Assistance Coordinator	3598403	16.575	46,630
Victims Assistance Center	1366021	16.575	156,543
Subtotal			203,173
Technology Upgrade	4012502	16.738	13,540
Total US Department of Justice			290,463
US DEPARTMENT OF HOMELAND SECURITY			
<i>Pass-Through State Department of Public Safety Division of Emergency Management</i>			
Disaster Grants - Public Assistance	FEMA-4332-DR-TX	97.036	148,299
Disaster Grants - Public Assistance	FEMA-3540-DR-TX	97.036	13,172
Subtotal			161,471
HMGP - Hurricane Safe Room	DR-4332-0233	97.039	49,528
HMPG - Acquisition	DR-4332-0052	97.039	257,870
HMPG- Detention Pond	DR-4332-0232	97.039	148,870
Subtotal			456,268
<i>Pass-Through Texas Water Development Board</i>			
Flood Mitigation Assistance Program	2000012425	97.029	25,960
Flood Mitigation Assistance Program	1700012367	97.029	336,733
Subtotal			362,693
Total US Department of Homeland Security			980,432
US ELECTION ASSISTANCE COMMISSION			
<i>Pass-Through Texas Secretary of State</i>			
Help America Vote Act Election Security	TX18101001-01-100	90.404	37,473
Total US Election Assistance Commission			37,473

HARDIN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (page 2 of 3)

For the Year Ended September 30, 2022

Department/Pass-Through Agency/Program Name	Program/Grant/ Project Number	AL Number	Expenditures
US DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Pass-through Texas Department of Family and Protective Services:</i>			
Title IV-E Foster Care Program	HHS000285100016	93.658	\$ 4,479
<i>Pass-through National Association of County and City Health Officials:</i>			
Retail Program Standards Mentorship Program	2020-01205	93.103	587
<i>Pass-through State Health Services:</i>			
IMM/LOCALS Immunization Branch-Locals	HHS000119700007	93.268	175,088
COVID-19 Vaccination Capacity Oct 21 - June 22	HHS001019500020	93.268	888,966
COVID-19 Vaccination Capacity July 22 - Sept 22	HHS001019500020	93.268	633,741
		Subtotal	1,697,795
CPS/Hazards (PHEP) Oct 20 - June 21	537-18-0175-00001	93.069	142,566
CPS/Hazards (PHEP) July 21 - Sept 21	537-18-0175-00001	93.069	51,573
		Subtotal	194,139
RLSS/LPHS RLSS/Local Public Health System-PNP	HHS000485600017	93.991	29,141
RLSS/LPHS RLSS/Local Public Health System-PNP	HHS001026100001	93.991	3,248
		Subtotal	32,389
COVID-19 Grant	HHS000812700022	93.323	42,944
COAG Oct 20 - June 21	HHS000769000001	93.354	1,901
Public Health Crisis Response Cooperative Grant Oct 20 - March 21	HHS000769000001	93.354	69,121
Public Health Crisis Response Cooperative Grant April 21 - Sept 21	HHS000769000001	93.354	81,450
		Subtotal	152,472
COVID-19 Health Disparities Program Oct 21 - Aug 22	HHS001057600023	93.391	25,091
COVID-19 Health Disparities Program Sept 22	HHS001057600023	93.391	10,347
		Subtotal	35,438
<i>Direct:</i>			
Incorporation of Inspection Software	G-MP-1909-07650	93.103	20,000
2021 Training for Retail Standards Program	G-T-2010-08985	93.103	1,244
Training for Retail Standards Program	G-T2106-09412	93.103	1,953
Inspection Equipment Needs	G-MP-2108-09690	93.103	8,021
RPS Maintenance and Advancement	G-BM&A-202111-01765	93.103	16,239
Standard 9 - Program Assessment	G-OAME-202111-01410	93.103	5,015
2022 Staff Training	G-OATR-202111-01411	93.103	1,853
		Subtotal	54,325
<i>Pass-Through National Environmental Health Association</i>			
NEARS Explorer Program 2022	2021 NEARS & 2122NEARS	93.421	3,000
Total US Department of Health and Human Services			2,217,568
U.S. DEPARTMENT OF TREASURY			
<i>Direct:</i>			
American Rescue Plan Act	1505-0271	21.027	605,713
Total U.S. Department of Treasury			605,713

HARDIN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (page 3 of 3) For the Year Ended September 30, 2022

Department/Pass-Through Agency/Program Name	Program/Grant/ Project Number	AL Number	Expenditures
FEDERAL AVIATION ADMINISTRATION			
<i>Pass-Through Texas Department of Transportation</i>			
CARES Act Airport Grant	20CRKOUTZ	20.106	\$ 15,330
	Total Federal Aviation Administration		15,330
	Total Federal Expenditures		\$ 4,903,775

HARDIN COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2022

1. REPORTING ENTITY

The accompanying schedule of expenditures of federal awards (the “Schedule”) presents the activity of all federal financial assistance programs of the County.

2. BASIS OF ACCOUNTING

The Schedule is presented in accordance with the 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). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent, adjustments or credits made in the normal course to amounts reported as expenditures in prior years.

4. INDIRECT COST RATE

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

5. DONATED PERSONAL PROTECTIVE EQUIPMENT

During the emergency period of COVID-19, federal agencies and recipients of federal assistance funds donated personal protective equipment (PPE) to non-federal entities. In connection with that donation, the recipient must disclose the estimated value of the donated PPE, but such amounts are not included in the SEFA. The County did not receive PPE donations during the reporting year.