

**BEE COUNTY, TEXAS**  
**SINGLE AUDIT REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2023**



**BEE COUNTY, TEXAS**

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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**

Honorable County Judge and  
Commissioners' Court  
Bee 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 Bee County, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Bee County, Texas' basic financial statements, and have issued our report thereon dated March 25, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Bee County, Texas' internal control over financial reporting (internal control) as a basis for designing 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 Bee County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Bee 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 Bee 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 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 were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bee 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 Bee County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Waco, Texas  
March 25, 2024

**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 GRANT MANAGEMENT STANDARDS**

Honorable County Judge and  
Commissioners’ Court  
Bee County, Texas

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

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

We have audited Bee County, Texas’ (the “County”) compliance with the types of compliance requirements identified as subject to audit in the (OMB) *Compliance Supplement* and the *State of Texas Grant Management Standards* (TxGMS) that could have a direct and material effect on each of the County’s major federal and state programs for the year ended September 30, 2023. The County’s major federal and state 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 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 September 30, 2023.

***Basis for Opinion on Each Major Federal and State 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 TxGMS. Our responsibilities under those standards, the Uniform Guidance, and TxGMS are further described in the Auditor’s 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 and state 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 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 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 GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS 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 and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS, 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 and TxGMS, 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 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 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 and TxGMS. Accordingly, this report is not suitable for any other purpose.



**Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and TxGMS**

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon, dated March 25, 2024, 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 TxGMS 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 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.

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

Waco, Texas  
March 25, 2024

**BEE COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Expenditures	Pass-through Expenditures
<b>FEDERAL AWARDS</b>				
<b><u>U. S. Department of Housing and Urban Development</u></b>				
Passed through Texas Department of Agriculture:				
CDBG - Tynan CFC Grant	14.228	CFC21-0478	\$ 234,479	\$ -
CDBG - Local Haz Mitigation Program Plan	14.228	22-130-003-D508	60,000	-
CDBG - DR Infrastructure/PMUD	14.228	20-065-016-C056	3,930	-
<i>Total Texas Department of Agriculture</i>			<u>298,409</u>	<u>-</u>
<b>Total U. S. Department of Agriculture</b>			<u>298,409</u>	<u>-</u>
<b><u>U. S. Department of Justice</u></b>				
Direct Programs:				
State Criminal Alien Assistance Program	16.606	13599147	10,194	-
<i>Total Direct Programs</i>			<u>10,194</u>	<u>-</u>
<b>Total U. S. Department of Justice</b>			<u>10,194</u>	<u>-</u>
<b><u>U. S. Department of Treasury</u></b>				
Direct Programs:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRF-5430	1,393,727	-
<i>Total Direct Programs</i>			<u>1,393,727</u>	<u>-</u>
<b>Total U. S. Department of Treasury</b>			<u>1,393,727</u>	<u>-</u>
<b><u>U.S. Election Assistance Commission</u></b>				
Passed through Texas Secretary of State:				
HAVA Election Security Grants	90.404	TX18101001-01-013	65,000	-
<i>Total Texas Secretary of State</i>			<u>65,000</u>	<u>-</u>
<b>Total U.S. Election Assistance Commission</b>			<u>65,000</u>	<u>-</u>
<b><u>U.S. Department of Homeland Security</u></b>				
Passed through Texas Division of Emergency Management				
Hazard Mitigation Grant - Courthouse Generator	97.039	DR-4332-0279	96,429	-
<i>Total Texas Division of Emergency Management</i>			<u>96,429</u>	<u>-</u>
Passed through Texas Office of the Governor:				
Homeland Security Grant - Operation Stonegarden	97.067	3909804	64,169	-
Homeland Security Grant - Operation Stonegarden	97.067	3909805	132,822	-
<i>Total Texas Office of the Governor</i>			<u>196,991</u>	<u>-</u>
<b>Total U. S. Department of Homeland Security</b>			<u>293,420</u>	<u>-</u>
<b>Total Federal Awards</b>			<u>\$ 2,060,750</u>	<u>\$ -</u>

**BEE COUNTY, TEXAS**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

State Grantor/Program Title	Grant Number	Expenditures	Pass-through Expenditures
<b>STATE AWARDS</b>			
<b><u>Texas Department of Transportation</u></b>			
County Transportation Infrastructure Fund (CTIF)	2004059	\$ 11,784	\$ -
<b>Total Texas Department of Transportation</b>		<u>11,784</u>	<u>-</u>
<b><u>Texas Office of the Attorney General</u></b>			
State Automated Victim Notification System (SAVNS) Grant	2218345	<u>17,505</u>	-
<b>Total Texas Office of the Attorney General</b>		<u>17,505</u>	<u>-</u>
<b><u>Texas Indigent Defense Commission</u></b>			
Indigent Defense Sustainability Grant	SG-23-004	963,383	-
Indigent Defense Formula Grant	212-23-013	<u>22,047</u>	<u>-</u>
<b>Total Texas Indigent Defense Commission</b>		<u>985,430</u>	<u>-</u>
<b><u>Texas Office of the Governor</u></b>			
Local Border Security Program	2996008	73,829	-
District Attorney's Border Prosecution	2536910	200,916	-
District Attorney's Border Prosecution	2536911	48,964	-
Operation Lone Star - HB9	4374201	137,861	-
Operation Lone Star	4369701	328,974	-
Operation Lone Star	4369702	<u>26,337</u>	<u>-</u>
<b>Total Office of the Governor, Criminal Justice Division</b>		<u>816,881</u>	<u>-</u>
<b>Total State Awards</b>		<u>1,831,600</u>	<u>-</u>
<b>Total Expenditures of Federal and State Awards</b>		\$ <u>3,892,350</u>	\$ <u>-</u>

**BEE COUNTY, TEXAS**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SEPTEMBER 30, 2023

**1. GENERAL**

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all federal and state financial assistance programs of Bee County, Texas, for the year ended September 30, 2023. The County's reporting entity is defined in Note I to the County's financial statements. The Schedule of Expenditures of Federal and State Awards includes all Federal and State awards expended by the County, regardless of whether the award was received directly from the Federal or State agency or passed through another agency.

**2. BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal and State Awards is presented using the modified accrual basis of accounting, which is described in Note I to the County's financial statements.

**3. INDIRECT COSTS**

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

**BEE COUNTY, TEXAS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

**Summary of Auditors' Results**

Financial Statements:

Type of auditors' 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 auditors' report issued on compliance for major programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance or TxGMS	None
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Identification of major programs:

Federal Assistance Listing Number(s)

21.027

State

Name of Federal or State Program or Cluster:

COVID-19 - Coronavirus State and Local Fiscal Recovery Fund

Indigent Defense Sustainability 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	\$750,000
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Auditee qualified as low-risk auditee for federal single audit?	No
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Auditee qualified as low-risk auditee for state single audit?	Yes
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**Findings Related 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

**BEE COUNTY, TEXAS**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

None