Montgomery County Hospital District
Single Audit Report
For the Year Ended September 30, 2021
Montgomery County Hospital District  
Single Audit Report  
For the Year Ended September 30, 2021  
Table of Contents

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Auditor's Report on Internal Control over Financial</td>
<td>1</td>
</tr>
<tr>
<td>Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed</td>
<td></td>
</tr>
<tr>
<td>in Accordance with Government Auditing Standards</td>
<td></td>
</tr>
<tr>
<td>Control over Compliance in Accordance with the Uniform Guidance</td>
<td></td>
</tr>
<tr>
<td>Schedule of Expenditures of Federal Awards</td>
<td>6</td>
</tr>
<tr>
<td>Notes to Schedule of Expenditures of Federal Awards</td>
<td>7</td>
</tr>
<tr>
<td>Schedule of Findings and Questioned Costs</td>
<td>8</td>
</tr>
</tbody>
</table>
The Board of Directors of
Montgomery County Hospital District

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, the discretely presented component unit and the major fund of Montgomery County Hospital
District (the District) as of and for the year ended September 30, 2021, and the related notes to the
financial statements, which collectively comprise the District's basic financial statements, and have issued
our report thereon dated March 16, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s 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 District’s internal control. Accordingly,
we do not express an opinion on the effectiveness of the District’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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’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 determination of 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.
The Board of Directors of
Montgomery County Hospital District

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.

Weaver and Tidwell, LLP.

WEAVER AND TIDWELL, LLP.

Conroe, Texas
March 16, 2022
Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance In Accordance with the Uniform Guidance

The Board of Directors of
Montgomery County Hospital District

Report on Compliance for Each Major Federal Program

We have audited Montgomery County Hospital District’s (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District’s major federal programs for the year ended September 30, 2021. The District’s major federal 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 statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the District’s major federal 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; and 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). Those standards and the Uniform Guidance 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 program occurred. An audit includes examining, on a test basis, evidence about the District’s 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 program. However, our audit does not provide a legal determination of the District’s compliance.

Opinion on Each Major Federal Program

In our opinion, the District 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, 2021.
Report on Internal Control over Compliance

Management of the District 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 the District’s 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 program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District’s 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 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 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 have not been identified.

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.
The Board of Directors of
Montgomery County Hospital District

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

We have audited the financial statements of the governmental activities, the discretely presented component unit, and the major fund of the District as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the District’s basic financial statements. We issued our report thereon dated March 16, 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 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.

Weaver and Tidwell, LLP.

WEAVER AND TIDWELL, LLP.

Conroe, Texas
March 16, 2022
## U.S. Department of Health and Human Services

<table>
<thead>
<tr>
<th>Program or Cluster Title</th>
<th>Listing Number</th>
<th>Identifying Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Reserve Corps Small Grant Program (MRC)</td>
<td>93.008</td>
<td>MRC20-2360</td>
<td>$12,857</td>
</tr>
<tr>
<td>Public Health Emergency Preparedness (PHEP)</td>
<td>93.069</td>
<td>537-18-0178-00001 Amendment 4</td>
<td>203,779</td>
</tr>
<tr>
<td>Public Health Emergency Preparedness (PHEP)</td>
<td>93.069</td>
<td>537-18-0178-00001 Amendment 5</td>
<td>64,589</td>
</tr>
<tr>
<td>Total Assistance Listing Number 93.074</td>
<td></td>
<td></td>
<td>378,029</td>
</tr>
<tr>
<td>COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)</td>
<td>93.323</td>
<td>HHS000812700027</td>
<td>141,296</td>
</tr>
<tr>
<td>COVID-19 Public Health Crisis Response</td>
<td>93.354</td>
<td>HHS000769400001</td>
<td>179,060</td>
</tr>
<tr>
<td>Preventive Health and Health Services Block Grant</td>
<td>93.991</td>
<td>HHS000485600026</td>
<td>60,545</td>
</tr>
<tr>
<td>Total Assistance Listing Number 93.991</td>
<td></td>
<td></td>
<td>67,999</td>
</tr>
<tr>
<td>Total U.S. Department of Health and Human Services</td>
<td></td>
<td></td>
<td>$778,941</td>
</tr>
</tbody>
</table>

## U.S. Department of Homeland Security

<table>
<thead>
<tr>
<th>Program or Cluster Title</th>
<th>Listing Number</th>
<th>Identifying Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Area Security Initiative Program</td>
<td>97.067</td>
<td>2976105</td>
<td>21,244</td>
</tr>
<tr>
<td>Urban Area Security Initiative Program</td>
<td>97.067</td>
<td>2986405</td>
<td>279</td>
</tr>
<tr>
<td>Urban Area Security Initiative Program</td>
<td>97.067</td>
<td>2976106</td>
<td>56,960</td>
</tr>
<tr>
<td>Urban Area Security Initiative Program</td>
<td>97.067</td>
<td>2986406</td>
<td>810</td>
</tr>
<tr>
<td>Total Assistance Listing Number 97.067</td>
<td></td>
<td></td>
<td>79,293</td>
</tr>
<tr>
<td>Total U.S. Department of Homeland Security</td>
<td></td>
<td></td>
<td>$79,293</td>
</tr>
<tr>
<td>Total Expenditures of Federal Awards</td>
<td></td>
<td></td>
<td>$858,234</td>
</tr>
</tbody>
</table>

The Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.
Montgomery County Hospital District
Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Montgomery County Hospital District's (the "District") discretely presented component unit, Montgomery County Public Health District, for the year ended September 30, 2021. The information in this 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). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the full accrual basis of accounting. Such expenditures are recognized following, as applicable, 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 represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Relationship to Federal and State Financial Reports

Amounts reported in the Schedule may not agree with the amounts reported in the related Federal financial reports filed with grantor agencies because of accruals which would be included in the next report filed with the agencies.

Note 4. Indirect Cost Rate

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
Montgomery County Hospital District
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

Section 1. Summary of Auditor’s Results

Financial Statements

1. Type of auditors’ report issued: Unmodified

2. Internal control over financial reporting:
   a. Material weakness(es) identified? No
   b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported

3. Noncompliance material to financial statements noted? No

Federal Awards

4. Internal control over major programs:
   a. Material weakness(es) identified? No
   b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported

5. Type of auditors’ report issued on compliance with major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance §200.516(a)? No

7. Identification of Major Federal Programs:
   - Public Health Emergency Preparedness (PHEP) and Cities Readiness Initiative 93.069

8. Dollar threshold used to distinguish between Type A and Type B federal programs: $750,000

9. Auditee qualified as a low-risk auditee? No

Section 2. Financial Statement Findings

None reported

Section 3. Federal Award Findings and Questioned Costs

None reported