

**Annual Comprehensive  
Financial Report  
*for the year ended*  
December 31, 2021**

# Annual Comprehensive Financial Report for the year ended 12/31/2021

The Township's independent auditors met with the Audit Committee on June 21<sup>st</sup> to review the results of the audit.

**The auditors will issue an unmodified (clean) opinion stating:**

“In our opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of The Woodlands Township as of December 31, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.”

# Annual Comprehensive Financial Report for the year ended 12/31/2021

## Financial Statement Adjustment:

- \$4.5 million in FTA grant revenue was accrued at year-end in anticipation of revisions to the grant being completed within 60 days after year-end.
- The revisions allowed the Township to be reimbursed for additional transit-related expenses related to Park & Ride facilities and equipment.
- The revised grant was approved on 3/21/2022, which was in excess of 60 days after year-end.
- Therefore, according to accounting standards, the year-end 2021 accrual needed to be reversed.
- All grant reimbursements pending at 12/31/2021 were completed in April 2022 within the revised grant and recognized as 2022 grant revenue.

**Single Audit Reports**  
*for the year ended*  
**December 31, 2021**  
*(relate to FTA grants)*

# Schedule of Expenditures of Federal Awards for the year ended 12/31/2021

The Township's independent auditors met with the Audit Committee on June 21<sup>st</sup> to review the results of the audit.

**The auditors will issue an unmodified (clean) opinion stating:**

“In our opinion, the accompanying schedule of expenditures of federal awards presents fairly, in all material respects, the expenditures of federal awards of The Woodlands Township for the year ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.”

# **Independent Auditors' Report on Internal Controls over Financial Reporting for the year ended 12/31/2021**

The auditors considered the Township's internal controls over financial reporting as a basis for designing audit procedures that are appropriate for the purpose of expressing an opinion on the financial statements.

The auditors' report states:

“During our audit, we did not identify any deficiencies in internal controls that we consider to be material weaknesses.”

# **Independent Auditors' Report on Compliance and Other Matters for the year ended 12/31/2021**

The auditors performed tests of the Township's compliance with certain provisions of laws, regulations, contracts, and grant agreements. Noncompliance with these provisions could have a direct and material effect on the financial statements.

The auditors' report states:

“The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.”

## Federal Award Findings:

- Both findings relate to FTA procurement activities within the Township's Transportation Department.
  - The findings are related to documentation and had no cost impacts associated with them.
- (1) Although none of the Township's vendors used for transit matters were suspended, debarred, or otherwise excluded during 2021, FTA regulations require that documentation indicating such be included in vendor files. The files with missing documentation have been updated.
  - (2) The Township continued to receive services from its mobile ticketing contractor after the agreement expired in 2021. The terms of the original agreement were maintained. The new agreement was submitted for final legal review on June 14, 2022 and will be presented to the Board of Directors in July.



# Auditors' Communication Letter

The Auditors' Communication Letter to the Township governing body states:

- “We encountered no significant difficulties in performing the audit. We appreciate that management was prepared and available throughout the audit.”
- “For purposes of this communication, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during the audit.”