

GUADALUPE COUNTY, TEXAS

SINGLE AUDIT REPORT

SEPTEMBER 30, 2016

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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

To the Honorable Judge and
Member of the Commissioners Court
Guadalupe 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 Guadalupe County, Texas (the County), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 30, 2017.

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) 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 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 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.

To the Honorable Judge and
Member of the Commissioners Court
Guadalupe County, Texas

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 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*.

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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
March 30, 2017



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE
UNIFORM GUIDANCE AND STATE OF TEXAS UNIFORM GRANT MANAGEMENT
STANDARDS AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS

To the Honorable Judge and
Member of the Commissioners Court
Guadalupe County, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Guadalupe County's (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the State of Texas Uniform Grant Management Standards (UGMS) that could have a direct and material effect on its major federal and state programs for the year ended September 30, 2016. The County's major federal and state 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 the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

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

To the Honorable Judge and
Member of the Commissioners Court
Guadalupe County, Texas

Opinion on Each Major Federal and State Program

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 and state programs for the year ended September 30, 2016.

Report on Internal Control Over Compliance

Management of the County 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 County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, 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 County'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 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 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 or significant deficiencies. However, material weaknesses may exist that were not 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 and UGMS. Accordingly, this report is not suitable for any other purpose.

To the Honorable Judge and
Member of the Commissioners Court
Guadalupe County, Texas

Report On Schedule Of Expenditures Of Federal And State Awards

We have audited the financial statements of the governmental activities of each major fund, and the aggregate remaining fund information of Guadalupe County (the County) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 30, 2017, which contained unmodified opinions on those financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by 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* (the Uniform Guidance) and the state of Texas Uniform Grant Management Standards, 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 and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
March 30, 2017

**GUADALUPE COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2016**

I. Summary of the Auditor's Results:

Financial Statements

- a. An unmodified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
- Material weakness(es) identified? _____ Yes X No
 - Significant deficiency(s) identified that are not considered a material weakness _____ Yes X None reported
 - Noncompliance material to financial statements noted _____ Yes X No

Federal and State Awards

- c. Internal control over major programs
- Material weakness(es) identified? _____ Yes X No
 - Significant deficiency(s) identified that are not considered a material weakness _____ Yes X None reported
- d. An unmodified opinion was issued on compliance for major programs
- e. Any audit findings disclosed that were required to be reported under Uniform Guidance or UGMS _____ Yes X No

Identification of major federal programs:

97.029 Flood Mitigation

Identification of major state programs:

N/A County Transportation Infrastructure

- f. The dollar threshold used to distinguish between
- Type A and Type B federal programs \$750,000
 - Type A and Type B state programs \$300,000
- g. Auditee qualified as a low-risk auditee (Uniform Guidance) _____ Yes X No
- h. Auditee qualified as a low-risk auditee (UGMS) _____ Yes X No

**GUADALUPE COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2016**

II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards*

None

III. Findings and Questioned Costs for Federal Awards and State Awards

None

IV. Summary of Prior Year Findings

None

**GUADALUPE COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2016**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Identification Number	Expenditures
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-through Federal Emergency Management Agency (FEMA)			
Local Emergency Management Performance Grant (EMPG)	97.042	16TX-EMPG-0654	\$ 38,569
FEMA-4245-DR-TX	97.036	FEMA-4245-DR-TX GLC005C	28,715
Pass-through Texas Water Development Board			
Flood Mitigation Grant	97.029	1400011851	<u>549,157</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>616,441</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-through Texas Attorney General			
Child Support Enforcement	93.563		67,453
Pass-through Center of Disease Control and Prevention			
Public Health Emergency Preparedness	93.069		12,620
Pass-through Texas Juvenile Justice Department (TJJD)			
Title IVE - Enhanced Administrative Claims	93.658	E-2007-094	<u>4,035</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>84,108</u>
<u>U.S. DEPARTMENT OF JUSTICE - OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION</u>			
Juvenile Accountability Block Grant	16.523		<u>146,051</u>
TOTAL U.S. DEPARTMENT OF JUSTICE - OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION			<u>146,051</u>
<u>U.S. DEPARTMENT OF JUSTICE CRIMINAL DIVISION</u>			
Equitable Sharing Program	16.922		<u>186,772</u>
TOTAL U.S. DEPARTMENT OF JUSTICE CRIMINAL DIVISION			<u>186,772</u>
TOTAL FEDERAL AWARDS			<u>\$ 1,033,372</u>
<u>DEPARTMENT OF MOTOR VEHICLES</u>			
Pass-through Travis County			
Auto Task Force		608-16-227000	<u>\$ 49,837</u>
TOTAL DEPARTMENT OF MOTOR VEHICLES			<u>49,837</u>
<u>TEXAS INDIGENT DEFENSE COMMISSION</u>			
Indigent Defense Equalization Distribution & Indigent Defense Formula Grant		212-14-094	<u>74,743</u>
TOTAL TEXAS INDIGENT DEFENSE COMMISSION			<u>74,743</u>
<u>OFFICE OF ATTORNEY GENERAL</u>			
Statewide Automated Victim Notification Service (SAVNS)		OAG Contract No. 1554823	16,500
Victim Coordinator and Liaison Grants (VCLG)		OAG Contract No. 1662139	<u>42,000</u>
TOTAL OFFICE OF ATTORNEY GENERAL			<u>58,500</u>
<u>TEXAS DEPARTMENT OF TRANSPORTATION</u>			
County Transportation Infrastructure Grant		CTIF 01-095	<u>922,134</u>
TOTAL DEPARTMENT OF TRANSPORTATION			<u>922,134</u>
TOTAL STATE AWARDS			<u>\$ 1,105,214</u>

GUADALUPE COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2016

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the grant activity of Guadalupe County (the County). The County's reporting entity is defined in the notes of the basic financial statements. Federal and state financial assistance received directly from federal and state agencies as well as financial assistance passed through other governmental agencies are included on the schedule of expenditures of federal and state awards. The information on this schedule is presented in accordance with the requirements of the Uniform Guidance and UGMS. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The County did not elect to use the 10% de minimus cost rate as allowed in the Uniform Guidance.