



ANDREWS COUNTY, TEXAS
SINGLE AUDIT REPORT
For the Fiscal Year Ended September 30, 2017

ANDREWS COUNTY, TEXAS
AUDITOR'S OFFICE
201 N. MAIN, ROOM #109
ANDREWS, TEXAS 79714

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ANDREWS COUNTY, TEXAS
Single Audit Report
For the Year Ended September 30, 2017

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WAYNE M. MANNING

CERTIFIED PUBLIC ACCOUNTANT



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*

The Honorable County Judge,
and Members of Commissioners'
Court of Andrews 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, the business-type activities, each major fund, and the aggregate remaining fund information of Andrews County, Texas (the "County") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 11, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Andrews 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 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.



Texas Society of
Certified Public Accountants



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The Honorable County Judge and Members of Commissioners' Court of Andrews County, Texas
July 11, 2018
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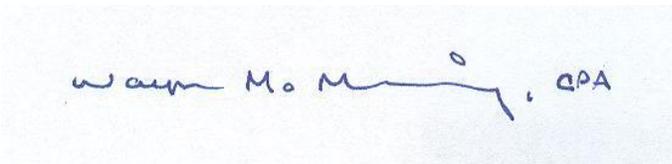
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 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 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.

Purpose of this Report

This 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.

A photograph of a handwritten signature in blue ink on a light-colored background. The signature reads "Wayne M. Manning, CPA".

Wayne M. Manning, CPA

Andrews, Texas
July 11, 2018

WAYNE M. MANNING



CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with the Provisions of the State of Texas Single Audit Circular

The Honorable County Judge and Members of Commissioners'
Court of Andrews County, Texas

Report on Compliance for Each Major State Program

We have audited the compliance of Andrews County, Texas (the "County") with the types of compliance requirements described in the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the County's major state programs for the year ended September 30, 2017. The County's major 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 state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major 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; and the State of Texas Single Audit Circular. Those standards 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 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 major state program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major 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 state programs for the year ended September 30, 2017.



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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 state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Texas Audit Circular*, 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.

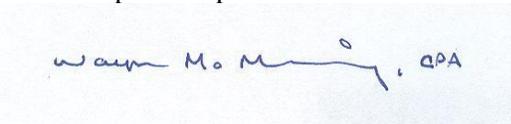
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 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 the 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.

Schedule of Expenditures of Federal/State Awards

We have audited the basic financial statements of the governmental activities, business-type activities, each major fund and the remaining fund information of the County as of and for the year ended September 30, 2017 and have issued our report thereon dated July 11, 2018. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal/state awards is presented for purposes of additional analysis as required by the *State of Texas Single Audit Circular* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken 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 State of Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose. This report is intended solely for the information and use of the County Judge, members of Commissioners’ Court, management, and state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Wayne M. Manning, CPA
Andrews, Texas
July 11, 2018

ANDREWS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended September 30, 2017

I. Summary of auditor's results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

State Awards

Internal control over major programs: Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Type of auditor's report on compliance for major programs:	Unqualified
Any audit finding disclosed that are required to be reported in accordance with the State of Texas Single Audit Circular?	No
Any questioned costs?	No

Major state programs include:

- Texas Department of Transportation County Transportation Infrastructure Grant

Dollar threshold used to distinguish between Type A and Type B programs was \$300,000.

The County is classified as a state high-risk auditee.

ANDREWS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2017

II. Findings related to the financial statements

No matters reported.

III. Findings and questioned costs related to the federal and state awards.

No matters reported.

ANDREWS COUNTY, TEXAS
SCHEDULE OF STATUS OF PRIOR FINDINGS
For the Year Ended September 30, 2017

None.

ANDREWS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS
For the Year Ended September 30, 2017

(1) Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	(2) Federal CFDA Number	(3) Pass-through Entities Identifying Number	(4) Expenditures
FEDERAL AWARD EXPENDITURES			
<i>US Department of Justice</i>			
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0674	\$ -
<i>Total US Department of Justice</i>			\$ -
<i>Department of Health and Human Services</i>			
<i>Pass-Through Texas Department of State Health Services</i>			
Preventive Health & Health Services Block Grant	93.991	2016-001181	\$ 31,217
Preventive Health & Health Services Block Grant	93.758	537-18-0194-00001	-
Immunization Grant	93.268	2016-001202	106,567
Immunization Grant	93.268	537-18-0016-00001	6,461
<i>Pass-Through Texas Health and Human Services Commission</i>			
Maternal & Child Health Services Block Grant	93.994	2016-003909-01	16,277
Maternal & Child Health Services Block Grant	93.994	2016-003909-02	-
<i>Total Department of Health and Human Services</i>			\$ 160,522
Total Federal Award Expenditures			\$ 160,522
STATE AWARD EXPENDITURES			
<i>Texas Health and Human Services Commission</i>			
Primary Healthcare	-	2016-048593	\$ 102,995
Primary Healthcare	-	2016-048593-002	-
<i>Total Texas Health and Human Services Commission</i>			\$ 102,995
<i>Texas Department of Transportation</i>			
Routine Airport Maintenance	-	M1706ANDR	\$ 48,850
County Transportation Infrastructure Fund Grant	-	CTIF-01-002	457,421
<i>Total Texas Department of Transportation</i>			\$ 506,271
<i>Texas Department of Criminal Justice</i>			
Basic Supervision, 2016-17 fiscal year	-	900	\$ 67,747
Basic Supervision, 2017-18 fiscal year	-	900	22,990
Sex Offender Prevention, 2016-17 fiscal year	-	002	26,956
Sex Offender Prevention, 2017-18 fiscal year	-	002	6,456
Substance Abuse Assessment & Counseling, 2016-17 fiscal year	-	001	4,631
Substance Abuse Assessment & Counseling, 2017-18 fiscal year	-	001	2,447
<i>Total Texas Department of Criminal Justice</i>			\$ 131,227

ANDREWS COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS (continued)**

For the Year Ended September 30, 2017

(1) Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	(2) Federal CFDA Number	(3) Pass-through Entities Identifying Number	(4) Expenditures
<i>Texas Juvenile Justice Department</i>			
Pre & Post Adjudication, 2016-17 fiscal year	-	-	\$ 39,629
Pre & Post Adjudication, 2017-18 fiscal year	-	-	3,325
Commitment Diversion, 2016-17 fiscal year	-	-	13,495
Commitment Diversion, 2017-18 fiscal year	-	-	3,300
Basic Supervision, 2016-17 fiscal year	-	-	32,785
Basic Supervision, 2017-18 fiscal year	-	-	877
Mental Health, 2016-17 fiscal year	-	-	49,245
Mental Health, 2017-18 fiscal year	-	-	-
Community Program, 2016-17 fiscal year	-	-	32,113
Community Program, 2017-18 fiscal year	-	-	2,384
Regionalization, 2016-17 fiscal year	-	-	26,416
Regionalization, 2017-18 fiscal year	-	-	-
<i>Total Texas Juvenile Justice Department</i>			\$ <u>203,569</u>
Total State Award Expenditures			\$ <u>944,062</u>
Total Federal and State Award Expenditures			\$ <u>1,104,584</u>

ANDREWS COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS

For the Year Ended September 30, 2017

NOTE 1: GENERAL

The accompanying Schedule of Expenditures of Federal/State Awards presents the activity of all federal/state financial assistance programs of Andrews County, Texas. Andrews County's reporting entity is defined in Note 1 to the County's basic financial statements. Federal/state financial assistance expended from funds received from federal agencies, as well as federal/state financial assistance passed through other government agencies is included on the schedule. The value of federal/state awards expended in the form of non-cash assistance is zero. The value of loans or loan guarantees outstanding at the year ended September 30, 2017 is zero.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal/State Awards is presented using the modified accrual basis of accounting.

NOTE 3: RELATIONSHIP TO THE BASIC FINANCIAL STATEMENTS

Federal/State financial assistance revenues are reported as intergovernmental revenues in the County's basic financial statements. The federal/state financial assistance revenues and expenditures are reported in the General Fund, Capital Projects Funds, and in Special Revenue Funds.

NOTE 4: STATE SINGLE AUDIT

For the purpose of determining state awards subject to the single audit, TDCJ funds are excluded because they were audited separately for the state regulatory agency. For the fiscal year ended 2017, state awards subject to single audit requirements totaled \$812,835.

Reconciliation of state single audit expenditures:

Total state financial expenditures	\$ 944,062
Less: TDCJ funds subject to state program specific regulatory requirements	<u>131,227</u>
Total state expenditures subject to single audit	\$ 812,835