

**NAVARRO COUNTY, TEXAS
REQUEST FOR PROPOSALS NO. 2014-A-09
FINANCIAL AUDIT SERVICES**

SECTION I - GENERAL INSTRUCTIONS AND INFORMATION

1.01 THE PURPOSE OF THIS DOCUMENT IS TO contract for financial audit services for a three (3) year period with an option to renew for two (2) additional one-year terms at the discretion of the Commissioners Court. It is Navarro County's intent to obtain proposals from and the services of a qualified, certified public accountant with extensive experience in performing financial audit services for government agencies.

1.02 CONTACT: Offerors are cautioned that any oral statement by any representative of the County, modifying or changing any conditions of this RFP, is an expression of opinion only and confers no right upon the offeror.

Requests for information regarding matters related to this RFP should be directed to:

Kathy Hollomon
Navarro County Auditor
300 W. Third Avenue, Suite 10
Corsicana, TX 75110
903-654-3095
khollomon@navarrocourt.org

**1.03 SUBMISSION: Sealed proposals shall be received Friday, June 13, 2014, no later than 2:00 p.m.
MARK ENVELOPE: RFP NO. 2014-A-09 — FINANCIAL AUDIT SERVICES**

**RETURN PROPOSALS TO: NAVARRO COUNTY AUDITOR'S OFFICE
300 WEST THIRD AVENUE, SUITE 10
CORSIANA, TEXAS 75110**

Proposals must be submitted as instructed in this packet. Two (2) copies of your proposal shall be placed in a sealed envelope, with each appropriate page manually signed by a person having the authority to bind the *firm* in a contract. The proposal number and title must be clearly marked on the outside of the envelope. No elaborate binding or binders, please. Facsimile transmittal shall not be accepted.

1.04 NO OFFER: If offeror does not wish to submit a proposal at this time but desires to remain on the list for this service, please submit a "NO OFFER" by the same time and at the same location as stated above.

Navarro County is always conscious and extremely appreciative of the time and effort you must expend to submit an offer. We would appreciate your indicating on any "NO OFFER" response any requirements of this RFP, which may have influenced your decision to "NO OFFER".

1.05 ACCEPTANCE/REJECTION OF PROPOSALS: It is understood that the Navarro County Commissioners Court reserves the right to accept or reject any and/or all proposals as it shall deem to be in the best interest of the County. Receipt of any proposal shall under no circumstances obligate the County to accept the lowest proposal. The award of the contract shall be made to the responsible offeror whose proposal is determined to be the lowest **and** best evaluated offer resulting from negotiation, taking into consideration the relative importance of price and other evaluation factors set forth in this request for proposals.

1.06 LATE PROPOSALS: Proposals received in the County Auditor's Office after the submission deadline shall be returned unopened and will be considered void and unacceptable. Navarro County is not responsible for lateness of mail, carrier, etc., and the time and date stamped by the Auditor's Office shall be the official time of receipt.

1.07 ALTERATION OF PROPOSALS: Any interlineations, alteration, or erasure made before the submission deadline must be initialed by the signer of the proposal, guaranteeing authenticity.

1.08 WITHDRAWAL OF PROPOSALS: A proposal may not be withdrawn or cancelled by the offeror for a period of thirty (30) days following the date designated for the receipt of proposal, and offeror so agrees upon submittal of their proposal.

1.09 ACKNOWLEDGEMENT OF PROPOSALS: Proposals will be received and publicly acknowledged at the location, date, and time stated above. Offerors, their representatives and interested persons may be present. Proposals shall be received and acknowledged only so as to avoid disclosure of the contents to competing offeror and kept secret during the negotiation/evaluation process. All proposals shall be open for public inspection after the contract is awarded, except for trade secrets and confidential information contained in the proposal so identified by offeror as such.

SECTION II — SPECIFIC REQUIREMENTS

2.00 GENERAL: The following information is specific to the selection of a firm for the services described in the scope of services to follow.

2.01 EVALUATION CRITERIA: The Commissioners Court will evaluate proposals based on a comprehensive set of criteria. The award of the contract shall be made to the responsible offeror whose proposal is determined to be the lowest and best evaluated offer resulting from negotiations, taking into consideration the relative importance of price and other factors set forth in this request for proposals in accordance with the Texas Local Government Code, Chapter 262. The evaluation criteria will be grouped into percentage factors as follows:

- 30% - The firm's experience in providing audits of governmental entities as described in the scope of services.
- 30% - Qualifications of staff. The experience and expertise of staff assigned to the audit, to include work related experience, education and certification and tenure with the firm.
- 20% - References and recommendations from past clients.
- 20% - Audit strategy.

2.02 MINIMUM REQUIREMENTS: The County ranks audit quality and technical competence high in its expectations. Recent governmental auditing standards require specialized continuing education.

Negotiations may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award. All offerors will be accorded fair and equal treatment with respect to any opportunity for negotiation and revision of proposals. Revisions to proposals may be permitted after submission and before award for the purpose of obtaining the best and final offer.

2.03 SUBMITTAL: For proper comparison and evaluation, Navarro County requests that proposals address, at a minimum, the following format.

- A. Transmittal Letter — A brief introductory letter of representation. Briefly state your understanding of the work to be performed and make a positive commitment to perform the work within the time period. State the names of persons authorized to make representations for the firm, their titles, addresses, and telephone numbers.
- B. Executive Summary— A brief summary highlighting the most important points of the proposal. Describe the scope of the required services. The firms specific audit approach should be set forth in the proposal and should include an explanation of the audit methodology to be followed.
- C. Peer Review — Offeror should include a report on the results of the firm's most recent Peer Review as required by the AICPA and Government Auditing Standards. The report should state whether the Peer Review included a review of government audits.
- D. Degree of Compliance — A statement that all services quoted in proposal are in full accord with the specifications or a brief listing of all those specification sections to which the offeror takes exception.

- E. **Proposal Pricing** — Summarize the work plan to accomplish the scope defined in the guidelines stated herein and the maximum fee for which the requested work will be done for each fiscal year in the initial term and each of the optional years. Also indicate what methods would be used to calculate costs for future optional terms. Include detail of price including the number of staff and staff hours that will be committed to the audit. Cost estimates should be submitted on the Cost Estimate Sheet included in this request for proposal.
- F. **Explanations and Exceptions** — Include explanations, exceptions, comments, etc., that you consider necessary pertaining to the specific sections of the specifications. All comments shall be listed and numbered in the order of the respective article of the specification.
- G. **Descriptive Literature** — Illustrative or descriptive literature, brochures, specifications, etc., that provide additional offeror/service information with regard to issues addressed in other areas of the offeror's proposal.
- H. **Background Information** — This section should include a description of the offeror's experience with other services similar to the one described herein. At a minimum, include:
 - 1. Briefly describe the firm, location, and range of activities engaged in the practice of public accountancy;
 - 2. Confirm that offerors are certified public accountants presently engaged in the practice of public accountancy;
 - 3. Affirm that offerors are independent;
 - 4. Include information which attests to the offeror's auditing experience, particularly in auditing Counties of Texas. Specifically, include a reference list of local government audit clients as described below; and,
 - 5. Include the names, qualifications and a brief resume of each individual who will be assigned to the audit for the County. At least one (1) certified public accountant is required. At a minimum resumes should include:
 - a. The amount of experience the individual has in the auditing profession;
 - b. A summary of similar audits on which the individual has worked; and
 - c. A summary of continuing professional education the individual has completed in governmental accounting and auditing during the last two (2) years.
- I. **References** — Offeror shall submit with the proposal a list of at least three (3) references where like services have been performed by their firm as required on the attached Vendor Reference Form. Include name of client, address, telephone number and name of representative.
- J. **Affidavit** — Offeror shall complete and submit with the proposal the Bid Proposal Affidavit provided as part of this request for proposal.

2.04 TERM: The initial term of the contract shall be for a three (3) year period from date of award with an option to renew for two (2) additional one-year terms at the discretion of Commissioners Court.

2.05 OFFEROR RESPONSIBILITY: It is the responsibility of each offeror before submitting a proposal:

- A. To examine thoroughly the contract documents and other related data identified in the proposal documents.
- B. To consider federal, state and local laws and regulations that may affect costs, progress, performance or furnishing of the work.
- C. To study and carefully correlate offeror's knowledge and observations with the contract documents and

such other related data.

- D. To promptly notify the County Auditor's Office of all conflicts, errors, ambiguities, or discrepancies which offeror has discovered in or between the contract documents and such other related documents.

SECTION III —SCOPE OF SERVICES

3.00 NATURE OF SERVICES REQUIRED

- A. Fiscal year financial audit of Navarro County. The examination shall include the general-purpose financial statements and schedule of Federal Financial Assistance of Navarro County. The auditor's opinion must cover the full scope of the Financial Statement and the schedule of Federal Financial Assistance.
- B. A separate financial audit as required by the Texas Juvenile Justice Department (TJJD) on TJJD Funds. The financial report for TJJD Funds will be prepared by the County Auditor's Office, with the assistance of the outside auditor. This portion of the audit should be separately disclosed in the proposal.
- C. A separate financial audit as required by the Texas Department of Criminal Justice on Navarro County Judicial District — Community Supervision and Corrections Department (CSCD). The financial report for CSCD Funds will be prepared by the County Auditor's , with the assistance of the outside auditor. This portion of the audit should be separately disclosed in the proposal.
- D. The audit should be made in accordance with:
1. Generally accepted auditing standards established by the American Institute of Certified Public Accountants.
 2. The AICPA Industry Audit Guide, Audits of State and Local Governmental Units.
 3. NCGA Statement 1, Governmental Accounting and Financial Reporting Principles.
- E. State and Federal Grant Single Audit in conformance with OMB Circular A-133.
- F. The audit must be completed in time to allow submission of financial statement to GFOA for certificate of excellence review. Preferred start date for audit fieldwork is on or about January 15, 2015. Field work for testing and internal controls during the summer months is encouraged. Target date for issuance of financial statement by County is March 15, 2015.

3.01 CONTRACTUAL ARRANGEMENTS: Navarro County reserves the right to accept or reject any (or all) proposals submitted. Navarro County is under no legal requirement to execute a contract and intends the material herein as a general description of the services desired.

3.02 ADDITIONAL INFORMATION

- A. The majority of the fieldwork for the County's independent audit will be conducted in the office of the County Auditor. The County Auditor will coordinate the audit for the county. Workspace for audit staff will be provided in the County Auditor's office. Records and documents to be audited are located at the County Auditor's Office and other County Offices.
- B. It has been the practice of the County Auditor's office to assist the independent auditors by preparing closing entries, audit schedules, and preliminary financial statements. The County Auditor's Office will coordinate the preparation and issuance of the Comprehensive Annual Financial Report as well as the financial reports required for Juvenile Probation and Community Supervision and Corrections, with the assistance of the outside auditor.
- C. The County's 2014 budget is \$25,707,524 for the fiscal year ending September 30, 2014. The General

Fund budget is \$19,442,235. The County's outstanding debt as of September 30, 2013 is \$1,930,130. The County plans to issue general obligation bonds in 2014 for the purpose of courthouse restoration under the Texas Historical Commission program and to purchase a permanent annex. The County maintains 10 Special Revenue Funds, 1 Debt Service Fund, 1 Capital Project Fund and 11 Trust and Agency Funds.

- D. A single audit of grants must be performed in conjunction with the financial audit. A copy of the previous year's Schedules of Expenditures of Federal Awards, Accompanying Notes and Schedule of Prior Audit Findings is included.
- E. The County is structured so that cash collections are decentralized. There are multiple cash collection points throughout the County. There are no known material weaknesses in the County's system of internal control.
- F. Navarro County employees participate in the Texas County and District Retirement System, a deferred compensation plan and a tax-free benefit plan.
- G. Navarro County has engaged Gabriel, Roeder, Smith and Company to prepare the GASB 45 report and footnote to the financial statements.
- H. Navarro County has received the GFOA Certificate of Excellence in Financial Reporting in twenty prior years and expects to receive the Certificate for its 2013 CAFR. All future County financial statements are expected to be submitted for GFOA review.
- I. The County issued Government-wide Financial Statements for fiscal year 2013 and may require assistance in refining the statements issued for fiscal year 2014. There are no anticipated problems with the implementation of new pronouncements of the Governmental Accounting Standards Board (GASB).
- J. Prior year audit reports and management letters are on file for review upon request in the County Auditor's office at 300 West Third Avenue, Suite 10, Corsicana, Texas. The five most recent audit reports are available at the County's web site at www.co.navarro.tx.us under the County Financial Reports tab. County budgets are also available under the same tab.
- K. Navarro County's payroll is managed by the County Treasurer, with the assistance of the County Auditor and distributed by the County Treasurer with over 300 employees on a semimonthly basis and includes up to 16 payroll deductions.
- L. Schedule of attachments to this Proposal:
 - 1. Navarro County Organization Chart
 - 2. Single Audit Schedule of Expenditures of Federal Awards
 - 3. Notes to Schedule of Expenditures of Federal Awards
 - 4. Schedule of Findings and Questioned Costs
 - 5. Schedule of Prior Audit Findings

SECTION IV - GENERAL CONTRACT TERMS AND CONDITIONS

4.00 CONTRACT: This proposal, submitted documents and any negotiations, when properly accepted by Navarro County, shall constitute a contract equally binding between the successful offeror and Navarro County. No different or additional terms will become a part of this contract with the exception of a Change Order.

4.01 CONFLICT OF INTEREST: No public official shall have any interest in this contract, except as permitted by and subject to the disclosure requirements of Vernon's Texas Codes Annotated, Local Government Code, Title 5, Subtitled C, Chapter 171.

4.02 CONFIDENTIALITY: All information disclosed by Navarro County to the successful offeror for the purpose of the work to be performed or information that comes to the attention of the successful offeror during the course of performing such work is to be kept strictly confidential.

4.03 ADDENDA: Any interpretations, corrections or changes to this RFP will be made by addenda. Sole issuing authority of addenda shall be vested in the Navarro County Judge. Addenda will be mailed to all who are known to have received a copy of this Request for Proposal. Offeror shall acknowledge receipt of all addenda.

4.04 CHANGE ORDERS: No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting contract. All change orders to the contract will be made in writing by the Navarro County Judge, as approved by the commissioners' court.

4.05 ASSIGNMENT: The successful offeror shall not sell, assign, transfer or convey any contract resulting from this RFP, in whole or in part, without the prior written consent of Navarro County Commissioners.

4.06 VENUE: This agreement will be governed and construed according to the laws of State of Texas. This agreement is performable in Navarro County, Texas.

4.07 SUBMITTAL OF CONFIDENTIAL MATERIAL: Any material that is to be considered as confidential in nature must be clearly marked as such by the offeror and will be treated as confidential by Navarro County.

4.08 MINIMUM STANDARDS FOR RESPONSIBLE PROSPECTIVE OFFERORS: A prospective offeror must affirmatively demonstrate their responsibility. A prospective offeror must meet the following requirements:

- A. Have adequate financial resources, or the ability to obtain such resources as required;
- B. Be able to comply with the required or proposed delivery schedule;
- C. Have a satisfactory record of performance;
- D. Have a satisfactory record of integrity and ethics;
- E. Be otherwise qualified and eligible to receive an award.

Navarro County may request representation and other information sufficient to determine offeror's ability to meet these minimum standards listed above.

4.09 INDEMNIFICATION: Successful offeror shall defend, indemnify and save harmless Navarro County and all its officers, agents and employees from all suits, actions or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful offeror, or of any agent, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from proposal award. Successful offeror shall pay any judgment with cost which may be obtained against Navarro County growing out of such injury or damages,

4.10 SALES TAX: Navarro County is, by statute, exempt from the State Sales Tax and Federal Excise Tax; therefore, the proposal price shall not include taxes.

4.11 PATENTS/COPYRIGHTS: The successful offeror agrees to protect Navarro County from claims involving infringements of patents and/or copyrights.

4.12 TERMINATION OF CONTRACT: This contract shall remain in effect until contract expires, completion and acceptance of services or default. Navarro County reserves the right to terminate the contract immediately in the event the successful offeror fails to:

1. Meet delivery or completion schedules, or
2. Otherwise perform in accordance with the accepted proposal.

Breach of contract or default authorizes the County to award to another offeror, purchase elsewhere and charge the full increase cost to the defaulting offeror.

Either party may terminate this contract with thirty (30) day written notice prior to either party stating cancellation. The successful offeror must state therein the reasons for such cancellation. Prior written notice must be delivered in person or sent by registered or certified mail, return receipt requested, proper postage paid, and properly addressed to the other party at the address on the affidavit for the contractor or to the Navarro County Judge, 300 West Third Avenue, Suite 102, Corsicana, TX 75110.

4.13 PERFORMANCE OF CONTRACT: Navarro County reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the best interest of the County in the event of breach or default of resulting contract award.

4.14 INVOICES: Invoices shall be mailed directly to:

Navarro County Auditor
300 West Third Avenue, Suite 10
Corsicana, TX 75110

The invoices shall show:

1. Accounting firm name and address;
2. Detailed breakdown of all charges for the services delivered, stating the applicable period of time;
3. Separate invoices for special audits of Juvenile and Adult Probation.

Invoices shall be based upon actual services rendered and actual hours of performance and/or products delivered.

4.15 PAYMENT: Payment will be made upon receipt and acceptance by the County of all completed services and/or product ordered and receipt of a valid invoice, in accordance with the Texas Government Code, Chapter 2251. Successful offeror is required to pay subcontractors within ten (10) days.

4.16 FUNDING: Funds for payment will be provided through the Navarro County budget by the Commissioners Court for each fiscal year only. State of Texas statutes prohibit the obligation and expenditure of public funds beyond the fiscal year for which a budget has been approved. Therefore, anticipated orders or other obligations that may arise past the end of the current Navarro County fiscal year shall be subject to budget approval.

**NAVARRO COUNTY, TEXAS
REQUEST FOR PROPOSALS NO. 2014-A-014
FINANCIAL AUDIT SERVICES
COST ESTIMATE SHEET
THIS FORM MUST BE RETURNED WITH YOUR PROPOSAL.**

OFFEROR: _____

NAVARRO COUNTY AUDIT

Maximum Fee: Fiscal Year ending September 30, 2014 _____
Fiscal Year ending September 30, 2015 _____
Fiscal Year ending September 30, 2016 _____
Fiscal Year ending September 30, 2017 _____
Fiscal Year ending September 30, 2018 _____

Indicate the methods that would be used to calculate costs for future optional terms. Please include detail of price including the number of staff and staff hours that will be committed to the audit.

NAVARRO COUNTY JUVENILE JUSTICE DEPARTMENT

Maximum Fee: Fiscal Year ending August 31, 2014 _____
Fiscal Year ending August 31, 2015 _____
Fiscal Year ending August 31, 2016 _____
Fiscal Year ending August 31, 2017 _____
Fiscal Year ending August 31, 2018 _____

Indicate the methods that would be used to calculate costs for future optional terms. Please include detail of price including the number of staff and staff hours that will be committed to the audit.

NAVARRO COUNTY COMMUNITY SUPERVISION AND CORRECTIONS AUDIT

Maximum Fee: Fiscal Year ending August 31, 2014 _____
Fiscal Year ending August 31, 2015 _____
Fiscal Year ending August 31, 2016 _____
Fiscal Year ending August 31, 2017 _____
Fiscal Year ending August 31, 2018 _____

Indicate the methods that would be used to calculate costs for future optional terms. Please include detail of price including the number of staff and staff hours that will be committed to the audit.

NOTE: Proposals not accompanied by this Cost Estimate form will not be considered.

VENDOR REFERENCES

Please list three (3) references of current clients who can verify the quality of service your company provides. The County prefers customers of similar size and scope of work to this proposal.

THIS FORM MUST BE RETURNED WITH YOUR PROPOSAL.

REFERENCE ONE

Government/Company Name: _____

Address: _____

Contact Person and Title: _____

Phone: _____ Fax: _____

Contract Period: _____

Scope of Work: _____

REFERENCE TWO

Government/Company Name: _____

Address: _____

Contact Person and Title: _____

Phone: _____ Fax: _____

Contract Period: _____

Scope of Work: _____

REFERENCE THREE

Government/Company Name: _____

Address: _____

Contact Person and Title: _____

Phone: _____ Fax: _____

Contract Period: _____

Scope of Work: _____

NOTE: Proposals not accompanied by this Vendor References form will not be considered.

BID PROPOSAL AFFIDAVIT

The undersigned certifies that the bid prices in this proposal have been carefully reviewed and are submitted as correct and final. He further certifies that the offeror agrees to furnish any and/or all items upon which prices are extended at the price(s) offered, and upon the conditions contained in the specifications of the Invitation to Bid. The period of acceptance of this bid proposal will be sixty (60) calendar days from the date of the bid opening.

STATE OF TEXAS §
COUNTY OF NAVARRO §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____, who, after being duly sworn, did depose and say: "I, _____, am a duly authorized officer or agent for _____, and have been authorized to execute the foregoing bid proposal on their behalf. I hereby certify that the foregoing proposal has not been prepared in collusion with any other bidder or other person or persons engaged in the same line of business prior to the official opening of this bid. Further, I certify that the bidder is not now, nor has he been for the past six (6) months, directly or indirectly concerned in any pool or agreement or combination, to control the price of the services or materials bid on, or to influence any person or persons to bid or not to bid thereon.

Name and Address of Offeror: _____

Telephone: _____

By: _____ Title: _____
(Type or Print Name)

Signature: _____

SUBSCRIBED AND SWORN to before me by the above named on this the ____ day of _____, 20____.

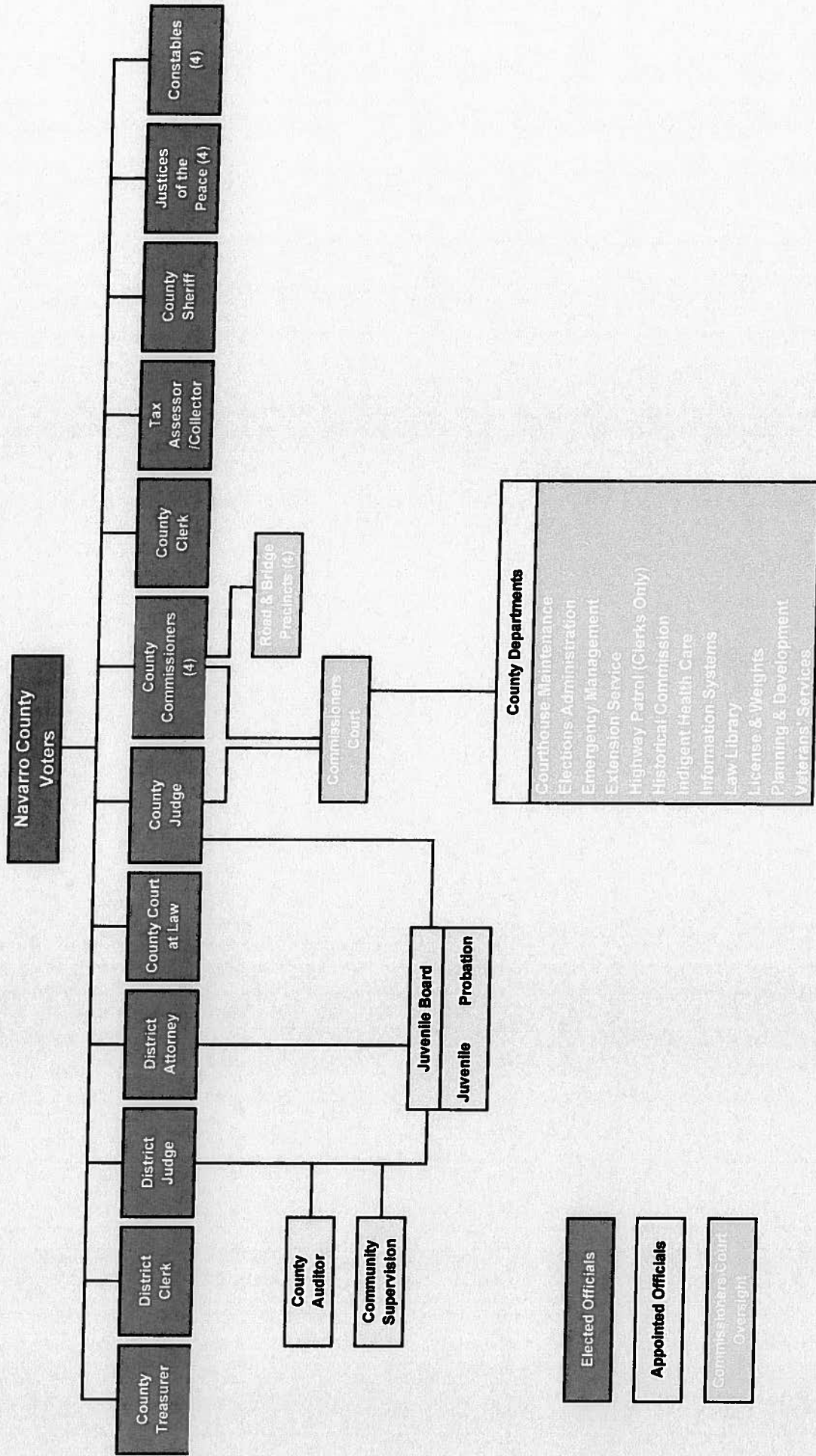
Notary Public in and for the State of Texas

NOTE: Proposals not accompanied by this Affidavit will not be considered.

**NAVARRO COUNTY, TEXAS
REQUEST FOR PROPOSALS NO. 2014-A014
FINANCIAL AUDIT SERVICES**

ATTACHMENTS

**NAVARRO COUNTY, TEXAS
ORGANIZATIONAL CHART
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**



NAVARRO COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U. S. Department of Justice</u>			
Direct Programs:			
State Criminal Alien Assistance Grant	16.606	2013-AP-BX-0218	\$ 28,911
Total Direct Programs			<u>28,911</u>
Passed through Office of the Governor Criminal Justice Division			
Victim's Assistance Grant	16.575	VA-11-V30-21620-03	<u>2,853</u>
Total Passed through Office of the Governor Criminal Justice Division			<u>2,853</u>
Total U. S. Department of Justice			<u>31,764</u>
<u>U. S. Office of National Drug Control Policy</u>			
Direct Programs:			
High Intensity Drug Trafficking Area (HIDTA)	95.001	G11NT0001A	377,546
High Intensity Drug Trafficking Area (HIDTA)	95.001	G12NT0001A	1,334,022
High Intensity Drug Trafficking Area (HIDTA)	95.001	G13NT0001A	<u>876,318</u>
Total Direct Programs			<u>2,587,886</u>
Total U. S. Office of National Drug Control Policy			<u>2,587,886</u>
Total Expenditures of Federal Awards			\$ <u>2,619,650</u>

NAVARRO COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

SEPTEMBER 30, 2013

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Navarro County, Texas, for the year ended September 30, 2013. The County's reporting entity is defined in Note 1 to the County's financial statements. Federal financial assistance received directly from federal agencies and other agencies are included in the Schedule of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's financial statements.

NAVARRO COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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 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 Section 510(a) of OMB Circular A-133? None

Identification of major programs:

CFDA Number	Name of Federal Program:
95.001	High Intensity Drug Trafficking Areas Program

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee? No

Findings Related to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None noted

Findings and Questioned Costs for Federal Awards

None noted

NAVARRO COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

**Findings Relating to the Financial Statements Which Are
Required to be Reported in Accordance With Generally
Accepted Government Auditing Standards**

Item 2012-1:

Condition: The revolving and clearing bank account is not reconciled to the general ledger monthly.

Criteria: All bank reconciliations should be performed timely in order to detect errors intentional or unintentional.

Cause: Internal controls to ensure the revolving and clearing bank account is reconciled timely are not implemented.

Effect: The lack of controls creates an environment in which errors could go undetected within a timely manner.

Recommendation: The revolving and clearing bank account should be reconciled monthly.

Management's Response: Management will review the process over revolving and clearing bank reconciliations.

**Contact Person Responsible
for Corrective Action:** Frank Hull – County Treasurer

Anticipated Completion Date: Fiscal year 2013

Current Status: This finding has been resolved.

Findings and Questioned Costs for Federal Awards

None

CONFLICT OF INTEREST QUESTIONNAIRE

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of person who has a business relationship with local governmental entity.

2 Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name of local government officer with whom filer has employment or business relationship.

Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

Yes No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

Yes No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

Yes No

D. Describe each employment or business relationship with the local government officer named in this section.

4

Signature of person doing business with the governmental entity

Date