

**FORT BEND COUNTY, TEXAS**  
**STATE SINGLE AUDIT REPORT**  
**For the Year Ended September 30, 2018**



# FORT BEND COUNTY, TEXAS

## TABLE OF CONTENTS

	<u>Page</u>
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1
Report of Independent Auditors on Compliance for Each Major State Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of State Awards Required by the <i>Texas Single Audit Circular (Uniform Grant Management Standards)</i>	3
Schedule of Findings and Questioned Costs	6
Schedule of Expenditures of State Awards	8
Notes to Schedule of Expenditures of State Awards	11
Summary Schedule of Prior Audit Findings	12
Corrective Action Plan	13



**REPORT OF INDEPENDENT AUDITORS 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 KP George, County Judge  
and Members of Commissioners Court  
Fort Bend 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Fort Bend County, Texas (the "County"), as of and for the year ended September 30, 2018, 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 29, 2019.

**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 KP George, County Judge  
and Members of Commissioners Court  
Fort Bend 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 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 purposes.

*Whitley Penn LLP*

Houston, Texas  
March 29, 2019

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE AWARDS REQUIRED BY THE TEXAS SINGLE AUDIT CIRCULAR (UNIFORM GRANT MANAGEMENT STANDARDS)**

To the Honorable KP George, County Judge  
and Members of Commissioners Court  
Fort Bend County, Texas

**Report on Compliance for Each Major State Program**

We have audited Fort Bend County, Texas' (the "County") compliance with the types of compliance requirements described in the *State of Texas Single Audit Circular (Uniform Grant Management Standards)* that could have a direct and material effect on each of the County's major state programs for the year ended September 30, 2018. 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 state statutes, regulations, and the terms and conditions of its state awards 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 *Texas Single Audit Circular (Uniform Grant Management Standards)*. Those standards, and the *Texas Single Audit Circular (Uniform Grant Management 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.

To the Honorable KP George, County Judge  
and Members of Commissioners Court  
Fort Bend County, Texas

### **Opinion on Each Major State Program**

In our opinion, the County complied, in all material respects, with the 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, 2018.

### **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 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 and to test and report on internal control over compliance in accordance with the *Texas Single Audit Circular (Uniform Grant Management Standards)*, 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 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 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 *Texas Single Audit Circular (Uniform Grant Management Standards)*. Accordingly, this report is not suitable for any other purpose.

To the Honorable KP George, County Judge  
and Members of Commissioners Court  
Fort Bend County, Texas

### **Schedule of Expenditures of State Awards**

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated March 29, 2019, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of State Awards is presented for purposes of additional analysis as required by the *Texas Single Audit Circular (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 other 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 State Awards is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

*Whitley Penn LLP*

Houston, Texas  
March 29, 2019

**FORT BEND COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For The Year Ended September 30, 2018*

**I. 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 that are not considered to be material weaknesses?	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 weaknesses?	None reported
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with <i>Texas Single Audit Circular (Uniform Grant Management Standards)</i> section 510(a)?	No

Identification of major programs:

<b>Name of State Program:</b>	<b>State Identifying Number</b>
<i>Texas Department of Criminal Justice Community Justice Assistance Division</i>	
<i>Treatment Alternative to Incarceration</i>	010
<i>Mental Health Initiative Caseload</i>	015
<i>Felony Drug Court</i>	016
<i>Substance Abuse Treatment Caseload</i>	018
<i>Special Sanctions Court</i>	019
<i>Aftercare Caseload</i>	023
Texas Commission on Environmental Quality	
Solid Waste Disposal Fees – Hurricane Harvey 4332	TCEQ-4332-PW00006
Texas Department of Transportation	RUR 1802 (11)
Section 5311 State/Local Rural Public Transportation	RUR 1902 (11)
	TGR 1701 (11) 043

**FORT BEND COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**For The Year Ended September 30, 2018**

**I. Summary of Auditors' Results (continued)**

Dollar Threshold Considered Between Type A and Type B State Programs	\$300,000
Auditee qualified as low-risk auditee?	Yes

**II. Financial Statement Findings**

None noted

**III. State Award Findings and Questioned Costs**

None noted

**FORT BEND COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
*For the year ended September 30, 2018*

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>Grantor or Pass-Through Entity Identifying Number</u>	<u>State Expenditures</u>
<b>Texas Department of Transportation</b>		
<u>Direct Program:</u>		
<i>Section 5311 State/Local Rural Public Transportation</i>	RUR 1802 (11)	\$ 80,811
<i>Section 5311 State/Local Rural Public Transportation</i>	RUR 1902 (11)	4,406
<i>Section 5311 State/Local Rural Public Transportation</i>	TGR 1701 (11) 043	30,339
<b>Total Texas Department of Transportation</b>		<b><u>115,556</u></b>
<b>Texas Department of Criminal Justice - Community Justice Assistance Division</b>		
<u>Direct Programs:</u>		
Diversion Programs		
<i>Mental Health Initiative Caseload</i>	015	159,831
<i>Mental Health Initiative Caseload</i>	015	9,850
<i>Felony Drug Court</i>	016	114,906
<i>Felony Drug Court</i>	016	6,919
<i>Substance Abuse Treatment Caseload</i>	018	129,643
<i>Substance Abuse Treatment Caseload</i>	018	6,439
<i>Special Sanctions Court</i>	019	348,123
<i>Special Sanctions Court</i>	019	22,455
<i>Aftercare Caseload</i>	023	130,710
<i>Aftercare Caseload</i>	023	8,041
Total Diversion Programs		<u>936,917</u>
Treatment Alternative to Incarceration		
<i>Treatment Alternative to Incarceration</i>	010	583,087
<i>Treatment Alternative to Incarceration</i>	010	46,254
Total Treatment Alternative to Incarceration		<u>629,341</u>
<b>Total Texas Department of Criminal Justice - Community Justice Assistance Division</b>		<b><u>1,566,258</u></b>
<b>Texas Juvenile Justice Department</b>		
<u>Direct Programs:</u>		
<i>State Aid</i>	TJPC-A-2018-079	2,226,199
<i>State Aid</i>	TJPC-A-2019-079	133,451
<i>Special Needs Program M</i>	TJPC-M-2018-079	49,116
<i>Special Needs Program M</i>	TJPC-M-2019-079	5,177
<i>Regional Diversion Program R</i>	18-D0085	24,300
<i>Prevention and Intervention Demonstration Project</i>	TJPC-S-2018-079	57,026
<i>Prevention and Intervention Demonstration Project</i>	TJPC-S-2019-079	4,734
<b>Total Texas Juvenile Justice Department</b>		<b><u>2,500,003</u></b>

**FORT BEND COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
*For the year ended September 30, 2018*

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>Grantor or Pass-Through Entity Identifying Number</u>	<u>State Expenditures</u>
<b>Office of the Governor - Criminal Justice Division</b>		
<u>Direct Programs:</u>		
<i>Felony Drug Court (CARD), Misdemeanor DWI Court (JAG) (CSCD)</i>	SF-1919111	\$ 150,000
<i>National Incident - Based Reporting System (NIBRS)</i>	NB-3198601	42,000
<i>Rifle Resistant Body Armor (BAGP)</i>	BG-3497701	88,960
<b>Total Office of the Governor - Criminal Justice Division</b>		<b>280,960</b>
<b>Texas Education Agency</b>		
<u>Direct Programs:</u>		
<i>Juvenile Justice Alternative Education Program (JJAEP)</i>	TJPC P-2017-079	5,439
<i>Juvenile Justice Alternative Education Program (JJAEP)</i>	TJPC P-2018-079	66,521
<b>Total Texas Education Agency</b>		<b>71,960</b>
<b>Texas Veterans Commission</b>		
<u>Direct Programs:</u>		
<i>Texas Veterans Commission General Assistance-2017</i>	FVA_17_0416	98,797
<i>Texas Veterans Commission General Assistance-2018</i>	FVA_18_0518	47,339
<b>Total Texas Veterans Commission</b>		<b>146,136</b>
<b>Texas Department of State Health Services</b>		
<u>Direct Programs:</u>		
<i>Tuberculosis Prevention and Control - State</i>	537-18-0034-00001	141,650
<i>Tuberculosis Prevention and Control - State</i>	537-18-0034-00001	6,781
<i>Preventive Health Block Grant - RLSS-Local Public Health System</i>	537-18-0217-00001	22,899
<i>Infectious Disease Control Unit/Surveillance Epidemiology</i>	537-18-0327-00001	123,827
Total Direct Programs		295,157
<u>Passed-Through Texas State University:</u>		
<i>Texas State School Safety Center Tobacco - Const 2</i>	790000	2,054
<i>Texas State School Safety Center Tobacco - Const 2</i>	790000	4,500
<i>Texas State School Safety Center Tobacco - Const3</i>	790000	27
<i>Texas State School Safety Center Tobacco - Sheriff</i>	790000	15,728
Total Passed-Through Texas State University		22,309
<b>Total Texas Department of State Health Services</b>		<b>317,466</b>
<b>Texas Commission on Environmental Quality</b>		
<u>Direct Programs:</u>		
<i>Low Income Vehicle Repair Assistance, Retrofit, and Accelerated</i>	582-14-40128	153,873
<i>Solid Waste Disposal Fees - Hurricane Harvey 4332</i>	TCEQ-4332-PW00006	501,745
<b>Total Texas Commission on Environmental Quality</b>		<b>655,618</b>

**FORT BEND COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS (CONTINUED)**  
*For the year ended September 30, 2018*

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>Grantor or Pass-Through Entity Identifying Number</u>	<u>State Expenditures</u>
<b>Office of the Attorney General</b>		
<u>Direct Programs:</u>		
<i>Victim Coordinator Liaison Grant</i>	1879444	\$ 36,879
<i>Victim Coordinator Liaison Grant</i>	1987536	3,648
<i>Texas VINE Program (SAVNS)</i>	1876952	32,615
<b>Total Office of the Attorney General</b>		<u><b>73,142</b></u>
<b>Texas Indigent Defense Commission</b>		
<u>Direct Program:</u>		
<i>Formula Grant</i>	212-17-079	567,772
<i>Supplemental Capital Defense Formula Grant</i>	212-17-79-SC	26,489
<i>Fort Bend County Public Defender Program</i>	212-68-D05	331,728
<b>Total Texas Indigent Defense Commission</b>		<u><b>925,989</b></u>
<b>Texas Department of Family and Protective Services</b>		
<u>Direct Program:</u>		
<i>Concrete Services</i>	23355842	3,419
<b>Total Passed-through Texas Department of Family &amp; Protective Services</b>		<u><b>3,419</b></u>
<b>Texas Secretary of State</b>		
<u>Direct Programs:</u>		
<i>Chapter 19 Election Funds - 2016</i>	079	14,967
<i>Chapter 19 Election Funds - 2017</i>	079	21,669
<i>Chapter 19 Election Funds - 2018</i>	079	21,918
<b>Total Texas Secretary of State</b>		<u><b>58,554</b></u>
<b>Total Expenditure of State Awards</b>		<u><b>\$ 6,715,061</b></u>

**FORT BEND COUNTY, TEXAS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**For The Year Ended September 30, 2018**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of state awards (the "Schedule") includes the state grant activity of Fort Bend County, Texas (the "County") under programs of the state government for the year ended September 30, 2018. The information in this Schedule is presented in accordance with the requirements of the *Texas Single Audit Circular (Uniform Grant Management Standards)*. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

**Note 2 - Summary of Significant Accounting Policies**

The County accounts for all state awards under programs of the state government in the General and Special Revenue Funds. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e. both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

State grant funds for governmental funds are considered to be earned to the extent of expenditures made under the provisions of the grant. When such funds are advanced to the County, they are recorded as unearned revenues until earned. Otherwise, state grant funds are received on a reimbursement basis from the respective state program agencies. Generally, unused balances are returned to the grantor at the close of specified project periods.

**FORT BEND COUNTY, TEXAS**  
***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS***  
***For The Year Ended September 30, 2018***

The *State of Texas Single Audit Circular (Uniform Grant Management Standards)* states that the auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee shall prepare a summary schedule of prior audit findings. The summary schedule of prior audit findings shall report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

**I. Prior Audit Findings**

None reported

**FORT BEND COUNTY, TEXAS**  
***CORRECTIVE ACTION PLAN***  
***For The Year Ended September 30, 2018***

The *State of Texas Single Audit Circular (Uniform Grant Management Standards)* states that at the completion of the audit, the auditee shall prepare, in a document separate from the auditor's findings, a corrective action plan to address each audit finding included in the current year auditor's reports.

**I. Corrective Action Plan**

Not applicable