

Phase 31
Emergency Food and Shelter Program (EFSP)
Application for Funding

COVER PAGE/CHECKLIST

Program Name: Emergency Food and Shelter Program

Name of Applicant Agency: Fort Bend County

Mailing Address: 301 Jackson St. Richmond, TX Zip 77469

Physical Address: 4520 Reading Road, Suite A-900 Rosenberg, TX Zip 77471

Congressional district where agency is physically located (2-digit Number) 9 & 22

Congressional district where your agency's EFSP services are provided (2-digit Number) 9 & 22

DUNS Number (Unique 9-digit number obtained from Grants Gov or Dun & Bradstreet) 08-1497075

Telephone # 281-238-3502 Fax # 281-238-3318 Email: anna.gonzales@fortbendcountytexas.gov

Individual to contact to schedule site visits, if necessary:

Name Anna Gonzales

Telephone # 281-238-3506 Fax # 281-238-3318 Email: anna.gonzales@fortbendcountytexas.gov

Total Amount of Funding requested: \$ 358,800.00

CHECKLIST FOR PROPOSAL SUBMITTAL

<u> X </u>	Cover Page and Checklist (this form)
<u> X </u>	Application
<u> X </u>	Copy of the Agency's Most Current Audit (Must be on Accrual Basis)
<u> N/A </u>	Fiscal Agent/Fiscal Conduit Agency Agreement (if applicable)
<u> N/A </u>	Fiscal Agent Agreement (if applicable)
<u> N/A </u>	Copy of Fiscal Agent Audit (if applicable) (Must be on Accrual Basis)
<u> X </u>	Certification Regarding Lobbying Form

Please do not submit any information that was not specifically requested. Additional information will not be forwarded to the local Board.

Please do not staple or bind your application.

**The deadline for proposals to be received at United Way is
5:00 pm, Monday, October 7, 2013**

**LATE OR INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED
OR CONSIDERED FOR FUNDING**

Phase 31
Emergency Food and Shelter Program (EFSP)
Application for Funding

Date: September 30, 2013 Name of Agency Fort Bend County

Jurisdiction in which services are to be provided (check only *one*).

Harris County _____ Fort Bend County X _____ Waller County _____

(Complete separate application for additional jurisdictions):

Has Executive Officer or Program Contact number changed since your EFSP Phase 30 application?

Yes _____ No X _____ N/A _____

Executive Officer: Robert E. Hebert

Program Contact: Anna Gonzales

Mailing Address: 301 Jackson St.

City/State/Zip Code plus 4: Richmond, TX 77469

Telephone No.: 281-238-3506 Fax No: 281-238-3318

Email address: anna.gonzales@fortbendcountytexas.gov

Board Chair's Name: N/A Telephone #: N/A

Federal Taxpayer Identification Number: 1-74-6001-969-2

Annual Audit Conducted? Yes X No _____

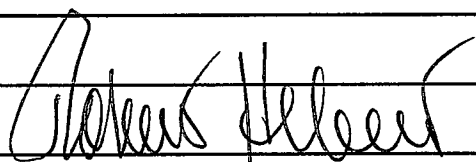
Agency Fiscal Year: October 1, 2012 – September 30, 2013 Date of Last Audit: March 18, 2013
(Copy of agency's audit or fiscal agent audit must be included) (Audit must be on accrual basis)

If Yes, Name and Address of Auditor:

Sanderson, Knox & Co. L.L.P.

130 Industrial Blvd., Suite 130 Sugar Land, TX 77478

If No, Name and Address of Fiscal Agent:



Signature of Executive Officer Date Oct. 3, 2013

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Statement of Need and Impact

AGENCY NAME: Fort Bend County

I. a. Please provide a statement of need for EFSP funds.

According to a needs assessment (A report on the Demographic Changes and Changing Needs of Fort Bend County, conducted by The George Foundation) conducted in Fort Bend County in the summer of 2011, through focus groups, interviews and randomized telephone surveys, respondents identified food and housing as the most critical needs in Fort Bend County in the area of human services. Furthermore, participants listed affordable housing, homeless shelters, food assistance and basic needs as not being met by current services in the region. In fiscal year 2013 (October 2012 through September 2013) Fort Bend County Social Services served 163 clients with rent/mortgage assistance, 639 with utility assistance and 325 with food assistance. Of the clients served in the same fiscal year, 71% reported living at or below 100% of the poverty level (\$23,550.00 annually for a family of 4). Of the applicants requesting assistance, 97% had not received services by the department in the past. According to the needs assessment data, the number of people living in poverty in Fort Bend County continues to increase. U.S. Census Bureau indicates a 3% increase in the population living below the poverty level from 2000 to 2010. Meal Gap data in 2012 reported that 21% (approximately 55,510) of Fort Bend County's children are food insecure meaning they do not receive three nutritious meals a day.

b. Please provide an explanation of how EFSP funds will be used to supplement and extend existing food and shelter services.

EFSP funds will assist Fort Bend County Social Services to supplement existing services to include food, shelter, and utility assistance and expand the reach of services to individuals and families throughout Fort Bend County. Funds allocated in the EFSP Phase 31 will be used to supplement services to Fort Bend County Residents by 80% in rent and mortgage assistance, 46% in utility assistance and 70% in food assistance. Without EFSP funding, more residents in Fort Bend County would go without basic human needs which could prove to be devastating, especially during extreme weather conditions in the winter and summer months.

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- II. Please attach a brief (no longer than two pages) history of your agency, including date of incorporation, length of time agency has been in operation, description of programs offered, and length of time agency has offered emergency assistance.

Fort Bend County Social Services has been in existence for 63 years. Initially it was created by County Commissioners Court to fulfill the mandate of Article 2351 of Vernon's Annotated Civil Statutes, which directs Commissioners Court to provide support for paupers. In the 1950's the department, which was called the County Welfare Office, was established to improve coordination of efforts throughout the County. Over the years the name of the department has changed to what we now know to be Fort Bend County Social Services. Currently the department provides utility, rent/mortgage, emergency shelter, food, medication, pauper and indigent burial services to the residents of Fort Bend County. In addition, the department plans and implements the "Walk With Pride" Shoe Program for school age children whose household incomes are at or below 150% of the poverty level. The purpose of Fort Bend County Social Services is to assist residents in need. The Department has been providing emergency assistance services for well over 30 years.

- III. Federal provisions require that agencies funded under the Emergency Food and Shelter program involve homeless individuals and families in the operation of their program, to the extent practicable. The purpose of this provision is to ensure that the intended beneficiaries of service have a voice in how these services are delivered. **Therefore, please describe the involvement of homeless or formerly homeless individuals and families in the operation of your program. If this involvement is not practicable for your agency, please explain.**

Currently Fort Bend County Social Services works in partnership with the Harris/Fort Bend Coalition for the Homeless and is a part of a continuum of care with the Fort Bend County Sheriff's Office and the Fort Bend County Behavioral Health Department that examines and assists individuals who are either homeless or are at risk of becoming homeless, due to incarceration. In the last year Fort Bend County Social Services served 80 clients presenting themselves as homeless or needing emergency shelter. As a result Fort Bend County Social Services will begin the process of surveying those clients who present themselves as homeless and/or formerly homeless to guide the development of program operations. Survey questions include: please provide us with factors and/or indicators that have lead you to become homeless, what services or gap in services have not been available to you, how can Fort Bend County Social Services help you today and how could Fort Bend County Social Services or other program services have prevented you or others from becoming homeless.

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IV. Please provide the following information on your agency:

a. Total agency budget: \$ 903,269.48 Number of paid staff: 12.5

2.) EFSP funds are to be:

(Check category below)

☒ Non Targeted

☐ Targeted for Abused Spouses

☐ Targeted for HIV Positive Clients

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- V. For the period of November 1, 2013 through April 30, 2014 please indicate the number of service units by category your LRO expects to provide with Non-EFSP funds, the cost per service unit, the amount of Non-EFSP funds to be spent, the number of EFSP service units by category to be provided, the estimated cost per EFSP service units, and the amount you are requesting in EFSP funds. (Service units: one night of shelter per person; one month's rent, mortgage or utility bill; one meal per person, either served, or estimated to be included in food voucher or groceries supplied.)

Program	Non-EFSP Service Units	Cost per Non-EFSP Service Unit	Total Non-EFSP Funds	EFSP Service Units	Cost per EFSP Service Unit	EFSP Funds Request
Food						
Served Meals	# <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	# <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>
Other Food (no. of meals per person) 2.31 x 3 meals=6.93 x14 days=97.00	# <u>100</u>	\$ <u>97.00</u>	\$ <u>9,700.00</u>	# <u>400</u>	\$ <u>97.00</u>	\$ <u>38,800.00</u>
Mass Shelter (on site)						
Nights	# <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	# <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>
Rent/Mortgage						
Bills Paid	# <u>43</u>	\$ <u>350.00</u>	\$ <u>15,050.00</u>	# <u>200</u>	\$ <u>900.00</u>	\$ <u>180,000.00</u>
Utility Assistance						
Bills Paid	# <u>639</u>	\$ <u>150.00</u>	\$ <u>95,850.00</u>	# <u>560</u>	\$ <u>250.00</u>	\$ <u>140,000.00</u>
Total EFSP Funds Requested						\$ <u>358,800.00</u>

- VI. Please describe the steps a client goes through when applying for EFSP assistance, including days and hours of services, required documentation, eligibility requirements and any limitations on assistance (include financial assistance limits if any that is, once per month, \$50 per family, etc.)

Food:

Clients are seen by appointment and walk-ins are welcome Monday through Friday between the hours of 8:00-5:00pm. When necessary, hours are extended to meet the needs of clients. Services are provided at two locations to include the West End Location at 4520 Reading Road, Suite A-900, Rosenberg, TX. 77471 and the East End location at 307 Texas Parkway, Suite 235, Missouri City, TX 77459. Required documents: proof of household income, Fort Bend County proof of residency, photo identification, and proof of need by demonstrating that all income has been exhausted. Eligibility requirements: clients are deemed eligible for food assistance if they provide required documentation, are residents of Fort Bend County and provide proof of need and/or can demonstrate all income

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sources have been exhausted. The dollar amount of assistance provided is based upon 2012 Meal Gap Data Report and is calculated at \$97.00 per household. Clients are allowed assistance one time assistance per fiscal year.

Mass Shelter:

N/A

Rent/Mortgage:

Clients are seen by appointment and walk-ins are welcome Monday through Friday between the hours of 8:00-5:00pm. When necessary hours are extended to meet the needs of clients. Services are provided at two locations to include the West End Location at 4520 Reading Road, Suite A-900, Rosenberg, TX. 77471 and the East End location at 307 Texas Parkway, Suite 235, Missouri City, TX 77459. Required documents: proof of household income, Fort Bend County proof of residency, photo identification, proof of need by demonstrating that all income has been exhausted, provide current rental lease agreement, mortgage letter, or written statement from landlord stating one month's rent and due date. All aforementioned items must be in the client's name.

Eligibility requirements: clients requesting rent/mortgage assistance must not be paying or planning to pay more than 75% of income on rent/mortgage, must be a resident of Fort Bend County, must demonstrate all household income has been exhausted and must provide all required documentation. Limitations: the following fees or taxes are not paid to include: property taxes or any other taxes related to the property, homeowners or renter's insurance, neighborhood association fees, sewage fees, legal fees, late fees, and condominium maintenance fees.

Utility Assistance:

Clients are seen by appointment and walk-ins are welcome Monday through Friday between the hours of 8:00-5:00pm. When necessary hours are extended to meet the needs of clients. Services are provided at two locations to include the West End Location at 4520 Reading Road, Suite A-900, Rosenberg, TX. 77471 and the Eastend location at 307 Texas Parkway, Suite 235, Missouri City, TX 77459. Required documents: proof of household income, proof of residency of Fort Bend County, provide photo identification, proof of need by demonstrating that all income has been exhausted, provide original utility bill, all supporting documentation must be in client's name. Eligibility

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requirments: client must be a resident of Fort Bend County, demonstrate they have exhausted household income, provide required documentation and all supporting documentation must be in client's name. Limitations: Clients are allowed assistance one time per fiscal year.

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FOR MASS SHELTERS AND SERVED MEALS ONLY:

INDICATE THE LAST DATE THE AGENCY RECEIVED THE PERMITS AND/OR INSPECTIONS LISTED BELOW (if more than one facility, attach information for each facility):

Occupancy Permit	<u>N/A</u>
Elevator Permit	<u>N/A</u>
Boiler Permit	<u>N/A</u>
Fire Code Inspection	<u>N/A</u>
Health Dept. Permit	<u>N/A</u>
Other	<u>N/A</u>

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FISCAL AGENT/FISCAL CONDUIT

For National Board purposes, a fiscal agent is an agency that maintains all EFSP financial records for another agency. A fiscal conduit is an EFSP-funded agency that maintains all EFSP financial records on behalf of one or more agencies under a single grant. The fiscal agent/fiscal conduit is the organization responsible for the receipt, disbursement of funds to vendors, and documentation of funds received. The fiscal agent/fiscal conduit must meet all of the requirements of a local recipient organization (LRO).

Any agency benefiting from funds received by a fiscal agent/fiscal conduit must meet all of the criteria to be an LRO except the accounting system and annual audit requirements. For tracking purposes all agencies funded through fiscal agents or fiscal conduits must secure a Federal Employer's Identification Number.

Organizations serving as fiscal conduits must provide a supplemental listing to the Local Board and on the final report showing all agencies benefiting from the funding and breakdowns of spending and units of service. All agencies included on the supplemental listing must have a Federal Employer Identification Number or be in the process of securing one.

Fiscal agent/fiscal conduits may cut checks to vendors only. They may not cut checks to the agencies on whose behalf they are acting or to agencies/sites under their "umbrella". The exception to this is when an agency is using the per diem allowance for mass shelter or the per diem allowance for served meals.

Fiscal agents will be required to submit individual interim and final reports for each agency. Fiscal conduits will file a single interim report on their award along with a breakdown of agencies and spending with the final report.

Any LRO with an outstanding compliance exception may not be funded under a fiscal agent/fiscal conduit. If a fiscal agent has an unresolved compliance exception, other funds awarded to the fiscal agent (either as a grant for its own program or as fiscal agent for another agency) will be held in escrow until all compliance exceptions are resolved.

Fiscal conduits will be audited as a single award, and will be handled as any other LRO.

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FISCAL AGENT AGREEMENT
(To be completed by Fiscal Agent)

This signed Fiscal Agent Agreement must be included with final application if applicant is not a tax exempt organization, and/or does not have current audited financial statements.

The fiscal agent must:

1. Comply with Rules and Responsibilities Manual, particularly the Eligible and Ineligible Costs section;
2. Be tax exempt;
3. Have an accounting system capable of maintaining a separate fund account for EFSP;
4. Submit periodic financial reports to the EFSP Local Board on behalf of the applicant;
5. Ensure that any EFSP funds unspent or improperly spent within the EFSP funding period are returned to the Local Board;
6. Remain in operation until all program and financial reporting requirements have been satisfied.

The Emergency Food and Shelter funds should be included in the fiscal agent's regular annual audit, a copy of which will be submitted to the EFSP Local Board.

APPLICANT AGENCY

Name N/A

Contact Person N/A

Phone Number N/A

Title N/A

Address N/A

City /Zip N/A

FISCAL AGENT ORGANIZATION

Name N/A

Contact Person N/A

Phone Number N/A

Title N/A

Address N/A

City /Zip N/A

This certifies that N/A (agency) agrees to serve as the fiscal agent for N/A (applicant agency), and receive and disburse funds from the Emergency Food and Shelter Program on behalf of the applicant.

N/A
Applicant Contact Person (Print)

N/A
Authorized Signer for Fiscal Agent, Title (Print)

By: N/A
Signature/Date

By: N/A
Signature/Date

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FISCAL AGENT/FISCAL CONDUIT AGENCY AGREEMENT

This signed Fiscal Agent/Fiscal Conduit Agreement must be included with final application if applicant does not have current audited financial statements.

I certify that my public or private agency:

1. Is not debarred or suspended from receiving Federal funds,
2. Has the capability to provide emergency food and/or shelter services;
3. Will use funds to supplement and extend existing resources and not to substitute or reimburse ongoing programs and services;
4. Is nonprofit or an agency of government;
5. Will not use EFSP funds as a cost match for other Federal funds or programs,
6. Practice nondiscrimination (if an agency with a religious affiliation, will not refuse services to an applicant based on religion or require attendance at religious services as a condition of assistance, nor will such groups engage in any religious proselytizing in any program receiving Emergency Food and Shelter Program funds);
7. Has or will secure a Federal Employer Identification (FEIN)
8. If private, not-for-profit, has a voluntary board;
9. Will comply with the Roles and Responsibilities Manual, particularly the Eligible and Ineligible Costs section;
10. Will provide all required information to the Fiscal Agent/Fiscal Conduit;
11. Will incur expenses for eligible program costs and will provide complete documentation on expenditures (to the Fiscal Agent/Fiscal Conduit, no later than two week following my jurisdiction's selected end-of-program;
12. Will spend all funds and close-out the program by the end-of-program and return any unused funds;
13. Will comply with the Single Audit Act, Circular A-133
14. That this organization has no known Emergency Food and Shelter compliance exceptions in this or other jurisdiction.

Name:	<u>N/A</u>	<u>N/A</u>
	Print	Signature
Title:	<u>N/A</u>	Contact Person <u>N/A</u>
Phone Number	<u>N/A</u>	FEIN #: <u>N/A</u>
Agency:	<u>N/A</u>	
Address	<u>N/A</u>	

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CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on the behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, contribution, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is prerequisite for making or entering into this transaction imposed by title 31 U.S.C. §1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Fort Bend County

LRO Name

782800006

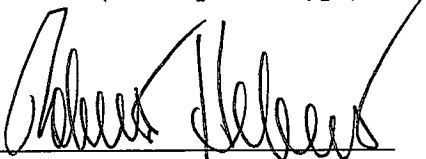
LRO 9 Digit ID Number

Robert E. Hebert

Name (Please print or type)

County Judge

Title



Signature

Oct. 3, 2013

Date

Note: Standard Form LLL and instructions are available from the National Board office.

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EFSP Phase 31 LRO Contact Form



*LRO Name: Fort Bend County

*LRO Number: 782800006

Is this information a CHANGE for your LRO? YES ☐ **NO** ☒ (please circle one)

In order to keep the LROs' database information current, please complete the form below and return when changes are made at your LRO
Phase 31 LRO Contact Information form can be FAXED or E-MAILED to the information listed below.

Rose Kelley

EFSP Contact Information

FAX: (281) 582-7763

E-mail: rkelley@unitedwayhouston.org

NOTE: Handling of EFSP Correspondence

All ORIGINAL EFSP correspondence will be mailed to Agency Executive/President/CEO unless notification is received in writing from LRO stating otherwise
COPIES of all correspondence will be forwarded to EFSP Contacts (TWO people handling the EFSP program reports)

To facilitate this process, please answer the following questions:

President/CEO/Agency Executive's E-Mail Address	
Judge Robert Hebert	ann.werlein@fortbendcountytexas.gov

Contact's E-Mail	Person actual handling the EFSP program reports	NOTE: TWO contacts will be notified	Do Not list additional names
anna.gonzales@fortbendcountytexas.gov			Anna Gonzales

Contact's E-Mail	Person actual handling the EFSP program reports	NOTE: TWO contacts will be notified	Do Not list additional names
Jeanette.varnado@fortbendcountytexas.gov			Jenny Varnado

*Agency Executive/CEO/President				
First Name	Last Name	Title	Direct Phone/Ext.	FAX #
Robert	Hebert	County Judge	(281) 341-8608	(281) 341-8609
			(Please type or print legible)	
		Address	City	State
		301 Jackson St. Suite 719	Richmond	Texas
				Zip
				77469

EFSP Contact (handling the EFSP program reports)				
First Name	Last Name	Title	Direct Phone/Ext.	FAX #
Anna	Gonzales	Director of Social Services	(281) 238-3506	(281) 238-3318
			(Please type or print legible)	
			Address	City
			4520 Reading Road, Ste. A-900	Rosenberg
				State
				Texas
				Zip
				77471

EFSP Contact (handling the EFSP program reports)				
First Name	Last Name	Title	Direct Phone/Ext.	FAX #
Jenny	Varnado	Social Services Coordinator	(281) 238-3504	(281) 238-3318
			(Please type or print legible)	
			Address	City
			4520 Reading Road, Suite A-900	Rosenberg
				State
				Texas
				Zip
				77471

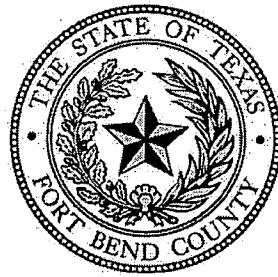
*VERY IMPORTANT: Only two (2) contacts will be notified. Do Not list additional names

*Enclose business card, if possible

FORT BEND COUNTY, TEXAS
STATE SINGLE AUDIT REPORT
Year Ended September 30, 2012

FORT BEND COUNTY, TEXAS
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130 Industrial Blvd., Suite 130 • Sugar Land, Texas 77478 • 281/242-3292 • fax 281/242-3252 • www.sktx.com

**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 Robert E. Hebert, County Judge
and Members of Commissioners Court
Fort Bend County, Texas

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 Fort Bend County, Texas (the "County") as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 18, 2013. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs (item #12-01) to be a material weakness.

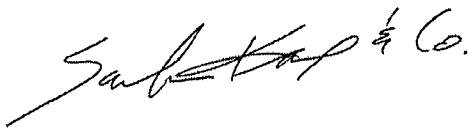
A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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*.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of Commissioners Court, management, others within the entity and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read "Sugar Land & Co.", is written in dark ink.

Sugar Land, Texas
March 18, 2013



130 Industrial Blvd, Suite 130 • Sugar Land, Texas 77478 • 281/242-3232 • Fax 281/242-3252 • www.sktx.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE UNIFORM GRANT MANAGEMENT STANDARDS *CHAPTER IV STATE OF TEXAS SINGLE AUDIT CIRCULAR*

To the Honorable Robert E. Hebert, County Judge
and Members of Commissioners Court
Fort Bend County, Texas

Compliance

We have audited Fort Bend County, Texas' (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Uniform Grant Management Standards Chapter IV 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, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and, *Uniform Grant Management Standards Chapter IV State of Texas Single Audit Circular*. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

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, 2012.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over

compliance in accordance with OMB Circular A-133 and 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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, 2012, and have issued our report thereon dated March 18, 2013, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of state awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Uniform Grant Management Standards *Chapter IV State of Texas Single Audit Circular*, and is not a required part of the 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of Commissioners Court, management, others within the entity and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Sugar Land, Texas
March 18, 2013

FORT BEND COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended September 30, 2012

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State Contract Number</u>	<u>State Expenditures and Indirect Costs</u>
Texas Department of Transportation		
Direct Program:		
Section 5311 State/Local Rural Public Transportation	51212F7018	\$ 132,311
Total Texas Department of Transportation		<u>132,311</u>
Texas Department of Criminal Justice - Community Justice Assistance Division		
Direct Programs:		
<u>Diversion Programs</u>		
Mental Health Initiative Caseload	015	98,342
Mental Health Initiative Caseload	015	7,179
Felony Drug Court	016	115,771
Felony Drug Court	016	9,198
Substance Abuse Treatment Caseload	018	85,440
Substance Abuse Treatment Caseload	018	8,717
Special Sanctions Court	019	369,581
Special Sanctions Court	019	31,352
Aftercare Caseload	023	93,908
Aftercare Caseload	023	10,392
		<u>829,880</u>
<u>Treatment Alternative</u>		
Treatment Alternative to Incarceration	010	357,804
Treatment Alternative to Incarceration	010	18,335
		<u>376,139</u>
Total Texas Department of Criminal Justice - Community Justice Assistance Division		<u>1,206,019</u>
Texas Juvenile Probation Commission		
Direct Programs:		
State Aid	TJPC-A-2011-079	100,000
State Aid	TJPC-A-2012-079	1,926,243
State Aid	TJPC-A-2013-079	110,441
Commitment Reduction Program - Program C	TJPC-C-2012-079	241,196
Commitment Reduction Program - Program C	TJPC-C-2013-079	18,107
Special Needs Program M	TJPC-M-2012-079	52,685
Special Needs Program M	TJPC-M-2013-079	4,333
Prevention and Intervention Demonstration Project	TJPC-S-2012-079	18,194
Total Texas Juvenile Probation Commission		<u>2,471,199</u>

The accompanying notes are an integral part of this schedule.

FORT BEND COUNTY, TEXAS**NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS***For the Year Ended September 30, 2012*

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State Contract Number</u>	<u>State Expenditures and Indirect Costs</u>
Office of the Governor - Criminal Justice Division		
Pass-Through Programs From:		
<u>Houston-Galveston Area Council</u>		
Law Enforcement Training Project (Gus George Academy)	SF-08-A 10-14719-10	65,559
Total Office of the Governor - Criminal Justice Division		<u>65,559</u>
 Texas Education Agency		
Direct Programs:		
Juvenile Justice Alternative Education Program (JJAEP)	TJPC P-2012-079	199,742
Juvenile Justice Alternative Education Program (JJAEP)	TJPC P-2013-079	9,753
Total Texas Education Agency		<u>209,495</u>
 Texas Department of State Health Services		
Direct Programs:		
Tuberculosis Prevention and Control - State	2012-039059	139,925
Tuberculosis Prevention and Control - State	2013-041111-001	10,376
Tobacco Community Coalition	2012-039679	215,328
Tobacco Community Coalition	2013-042335-001	5,251
Total Direct Programs		<u>370,880</u>
 Pass-Through Programs From:		
<u>Texas State University</u>		
Texas State School Safety Center Tobacco - Sheriff	0790000	20,752
Texas State School Safety Center Tobacco - Sheriff	0790000	2,882
Total Passed Through Texas State University		<u>23,634</u>
 Total Texas Department of State Health Services		<u>394,514</u>
 Texas Comptroller of Public Accounts		
Direct Programs:		
State Tobacco Enforcement Program - Constable 3	N/A	4,032
State Tobacco Enforcement Program - Sheriff	N/A	12,841
Total Texas Comptroller of Public Accounts		<u>16,873</u>
 Texas Commission on Environmental Quality		
Direct Program:		
Low Income Vehicle Repair Assistance, Retrofit and Accelerated Retirement Program (LIRAP) Local Initiative Projects	582-12-20281	177,494
Total Texas Commission on Environmental Quality		<u>177,494</u>

The accompanying notes are an integral part of this schedule.

FORT BEND COUNTY, TEXAS**NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS***For the Year Ended September 30, 2012*

State Grantor/Pass-Through Grantor/Program Title	State Contract Number	State Expenditures and Indirect Costs
Office of the Attorney General		
Direct Programs:		
Victim Coordinator Liason Grant	1333053	3,429
Victim Coordinator Liason Grant	1226836	39,023
Total Office of the Attorney General		<u>42,452</u>
Texas Indigent Defense Commission		
Direct Programs:		
Formula Grant	212-12-079	254,747
Fort Bend County Mental Health Defender Program	212-02-D18	221,095
Evaluation of Fort Bend Mental Health Public Defender Office	212-TS-079	18,901
Total Texas Indigent Defense Commission		<u>494,743</u>
Texas Historical Commission		
Direct Program:		
Historic Courthouse Preservation Program	Fort Bend-2010	4,740
Total Texas Historical Commission		<u>4,740</u>
Texas Department of Family and Protective Services		
Direct Program:		
Concrete Services	23355842	500
Total Texas Department of Family and Protective Services		<u>500</u>
Texas Secretary of State		
Direct Program:		
Chapter 19 Election Funds - 2010	079	83,075
Chapter 19 Election Funds - 2011	079	8,085
Total Texas Secretary of State		<u>91,160</u>
Total Expenditures of State Awards		<u><u>\$ 5,307,059</u></u>

The accompanying notes are an integral part of this schedule.

FORT BEND COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended September 30, 2012

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, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas Uniform Grant Management Standards *Chapter IV Texas State Single Audit Circular*. 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 assets or cash flows of the County.

NOTE 2 - BASIS OF ACCOUNTING

The County accounts for all 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 generally are 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 deferred 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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2012

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- a. Material weakness(es) identified? Yes - #12-01
- b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

Noncompliance material to the financial statements noted? No

STATE AWARDS

Internal control over major programs:

- a. Material weakness(es) identified? No
- b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

Type of auditors' report issued on compliance with major program: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) OMB Circular A-133? No

Identification of major programs:

State Contract Number(s)

Various

Various

Various

Various

Dollar threshold used to distinguish between type A and type B programs:

Auditee qualified as low-risk auditee?

Name of State Program

Texas Department of Criminal Justice –
Community Justice Assistance Division
Diversion Programs

Texas Department of Criminal Justice—
Community Assistance Division—Treatment
Alternative to Incarceration

Texas Juvenile Probation Commission State Aid
Texas Education Agency –Juvenile Justice
Alternative Education Program (JJAEP)

\$300,000

No

FORT BEND COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended September 30, 2012

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding #12-01 – Accounting for Fines and Fees

Criteria

A software program should be in place which records the initial assessment of all fines and fees, records the subsequent collection of fines and fees and identifies outstanding fines and fees. Further, this software program should be used by all County departments that assess fines and fees.

Condition

The County does not have a software program in place which records the initial assessment of all fines and fees, records the subsequent collection of fines and fees and identifies outstanding fines and fees. Various departments within the County use various programs to record fines and fees, and some of these departments are unable to produce an accurate listing of outstanding fines and fees at year-end. Therefore, the County is not able to record an accurate amount of receivables for fines and fees on its general ledger at year-end. The County currently uses a method of estimates and assumptions in order to determine the amount of the receivable at year-end. In addition, the receivable for fines and fees recorded on the general ledger has not been adjusted or reviewed in the past five years.

Context

This was determined while reviewing receivables recorded on the general ledger at year-end.

Effect

Not having all departments using a single software program which records the initial assessment of all fines and fees, records the subsequent collection of fines and fees and identifies outstanding fines and fees, results in an increased risk of fines and fees not being properly recorded and collected and also results in an increased risk that the receivable for fines and fees recorded on the general ledger is misstated.

Cause

The County does not have a software program in place which records the initial assessment of all fines and fees, records the subsequent collection of fines and fees and identifies outstanding fines and fees. The County uses a method of estimates and assumptions in order to determine the amount of the receivable for fines and fees at year-end.

Recommendation

The County should implement a software program or other capability which records the initial assessment of all fines and fees, records the subsequent collection of fines and fees and identifies outstanding fines and fees. Further, this software program or other capability should be used by all departments within the County that collect fines and fees.

Views of Responsible Officials and Planned Corrective Actions

See Section V

FORT BEND COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

For the Year Ended September 30, 2012

SECTION III – STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters reported.

FORT BEND COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended September 30, 2012

SECTION IV – STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Finding #11-01 – Accounting for Fines and Fees

See current year finding #12-01 in Section II

Finding #11-02 – Recording of Expenditures/Expenses

The County has implemented controls to ensure that expenditures/expenses are posted to the correct expenditure/expense categories, including invoices which are coded to expenditure/expense categories by bookkeepers of the component units of the County.

FORT BEND COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended September 30, 2012

SECTION V – CORRECTIVE ACTION PLAN

Finding #12-01 – Accounting for Fines and Fees

Responsible Person – Ed Sturdivant, County Auditor

Corrective Action Plan

The courts management software is being modified by the vendor to accommodate the timely and accurate reporting of receivables related to fines, fees and court costs. The solution will be presented to the County along with the implementation plan by September 30, 2013. The solution is expected to be in place during fiscal year 2014.

Estimated Completion Date – Fiscal Year 2014

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FORT BEND COUNTY, TEXAS
FEDERAL SINGLE AUDIT REPORT
Year Ended September 30, 2012

FORT BEND COUNTY, TEXAS
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**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 Robert E. Hebert, County Judge
and Members of Commissioners Court
Fort Bend County, Texas

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 Fort Bend County, Texas (the "County") as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 18, 2013. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs (item #12-01) to be a material weakness.

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.

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*.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of Commissioners Court, management, others within the entity 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.

A handwritten signature in cursive script that reads "Sam Karp & Co.".

Sugar Land, Texas
March 18, 2013



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Robert E. Hebert, County Judge
and Members of Commissioners Court
Fort Bend County, Texas

Compliance

We have audited Fort Bend County, Texas' (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

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 federal programs for the year ended September 30, 2012.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 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 program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal 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, 2012, and have issued our report thereon dated March 18, 2013, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of Commissioners Court, management, others within the entity 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.



Sugar Land, Texas
March 18, 2013

FORT BEND COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Direct Programs:			
Food Donation (Program Year 2012: 7/1/11 - 6/30/12)	10.555		\$ 3,057
National School Lunch / Breakfast Program 2011-2012	10.553		98,922
Summer Food Service Program for Children	10.559		101,741
Total U.S. Department of Agriculture			203,720
U.S. Department of Housing and Urban Development			
Direct Programs:			
Community Development Block Grant 2007	14.218		57,948
Community Development Block Grant 2008	14.218		205,764
Community Development Block Grant 2009	14.218		183,665
Community Development Block Grant 2010	14.218		892,039
Community Development Block Grant 2011	14.218		708,389
CDBG Disaster Recovery Entitlement Grant Program IKE Housing	14.228		326,904
Community Development Block Grant - Recovery (ARRA)	14.253		54,544
Shelter Care Plus Program	14.238		105,091
HOME Program 2009	14.239		20,876
HOME Program 2010	14.239		386,080
HOME Program 2011	14.239		100,105
ESG Program 2009	14.231		6,000
ESG Program 2010	14.231		19,471
ESG Program 2011	14.231		78,778
Neighborhood Stabilization Program (HERA)	14.264		1,364,300
Homelessness Prevention & Rapid Re-Housing Program (ARRA)	14.262		20,024
Total Direct Programs			4,529,978
Pass-Through Programs From:			
Texas General Land Office			
Community Development Block Grant - State's Program Non Ike Housing	14.228		80,718
Community Development Block Grant - State's Program Non Ike Housing	14.228		32,335
Total Passed Through Texas General Land Office			113,053
Total U.S. Department of Housing and Urban Development			4,643,031
U.S. Department of Justice			
Direct Programs:			
Edward Byrne Justice Assistance Grant FY2009	16.738		8,956
Edward Byrne Justice Assistance Grant FY2009 Recovery Act	16.804		98,145
Edward Byrne Justice Assistance Grant FY2010	16.738		13,966
Edward Byrne Justice Assistance Grant FY2011	16.738		78,055
Organized Crime Drug Enforcement Task Forces (0814)	N/A	DC#8702	108,048
Organized Crime Drug Enforcement Task Forces (0814)	N/A	DC#8705	8,484
Organized Crime Drug Enforcement Task Forces (0833)	N/A	DC#8706	8,860
Organized Crime Drug Enforcement Task Forces (0814)	N/A	DC#8703	17,171
Organized Crime Drug Enforcement Task Forces (0833)	N/A	DC#8083	17,200
Organized Crime Drug Enforcement Task Forces (0814)	N/A	DC#8713	2,735
Organized Crime Drug Enforcement Task Forces (0814)	N/A	DC#8714	48,202
Organized Crime Drug Enforcement Task Forces (0814)	N/A	DC#8720	20,521

The accompanying notes are an integral part of this schedule.

FORT BEND COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Tactical Diversion Task Force	N/A		16,390
ATF-Houston Arson and Explosives Task Force	N/A		3,279
Total Direct Programs			450,012
Federally Funded Pass Thru Grants From:			
<u>The Office of the Governor Criminal Justice Division</u>			
Felony Drug Court (CARD), Misdemeanor DWI Court (JAG)	16.738	1919105	150,000
Edward Byrne Justice Assistance - Special Crimes Detective (Sheriff's Office)	16.738	2018004	65,801
Edward Byrne Justice Assistance - Special Crimes Detective (Sheriff's Office)	16.738	2018005	5,924
Crime Victim Assistance -Victim Services Program-Victim of Crime Act(VOCA) (CSCD)	16.575	1364812	32,921
Crime Victim Assistance -Victim Services Program-Victim of Crime Act(VOCA) (CSCD)	16.575	1364813	2,364
Crime Victim Assistance -Victim Witness Staff Expansion- (VOCA) (District Atty)	16.575	1364512	63,518
Crime Victim Assistance -Victim Witness Staff Expansion- (VOCA) (District Atty)	16.575	1364513	5,178
Violence Against Women Formula Grant - Prosecutor (District Atty) (ARRA)	16.588	1344714	67,383
Violence Against Women Formula Grant - Prosecutor (District Atty)	16.588	1344715	5,459
Violence Against Women Formula Grant - Investigator (District Atty) (ARRA)	16.588	1515713	39,941
Violence Against Women Formula Grant - Investigator (District Atty)	16.588	1515714	3,248
TRANSITIONS Work/Study Program (Juvenile)	16.540	2556001	268
Total Passed Through State Criminal Justice Division			442,005
<u>Executive Office of the President -</u>			
<u>Office on National Drug Control Policy</u>			
High Intensity Drug Trafficking Area (HIDTA)	95.001	G09HN0010A	7,640
High Intensity Drug Trafficking Area (HIDTA)	95.001	G11HN0010A	402,686
High Intensity Drug Trafficking Area (HIDTA)	95.001	G12HN0010A	121,085
Total Passed Through Office on National Drug Control Policy			531,411
Total Pass-Through Programs			973,416
Total U.S. Department of Justice			1,423,428
U.S. Department of Transportation			
Direct Programs:			
Section 5307 Urban Public Transportation	20.507	TX90-X836	25,617
Section 5307 Urban Public Transportation	20.507	TX90-X869	62,069
Section 5307 Urban Public Transportation	20.507	TX90-X847	4,076
Section 5307 Urban Public Transportation	20.507	TX90-X915	997,328
Section 5307 Urban Public Transportation	20.507	TX90-X968	1,236,079
Section 5309 Urban Discretionary Transit	20.500	TX04-0041	100,151
SH 36 Park and Ride	20.507	TX95-X021	687,336
Total Direct Programs			3,112,656
Pass-Through Programs From:			
<u>Texas Department of Transportation</u>			
Section 5309 Capital Investment	20.500	51112F7160	375,670
Section 5310 Elderly & Disabled Transportation Program	20.513	51012F7269	30,954
Section 5310 Elderly & Disabled Transportation Program	20.513	51112F7249	174,701

The accompanying notes are an integral part of this schedule.

FORT BEND COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Section 5317 New Freedom Federal Funds	20.521	51012F7307	1,799
Section 5311 State/Local Rural Public Transportation	20.509	51012F7206	119,396
Section 5311 State/Local Rural Public Transportation	20.509	51112F7193	290,116
Total Passed Through Texas Department of Transportation			992,636
<u>Metropolitan Transit Authority of Harris County</u>			
Section 5316 Job Access/Reverse Commute Federal Funds	20.516	TX37-X059	222,753
Section 5317 New Freedom Federal Funds	20.521	TX57-X006	175,041
Total Passed Through Metropolitan Transit Authority			397,794
<u>Houston Galveston Area Council</u>			
Fort Bend County Express	20.205	CSJ 912-72-030	52,983
Total Pass-Through Programs			1,443,413
Total U.S. Department of Transportation			4,556,069
U.S. Department of Homeland Security			
Pass-Through Programs From:			
<u>United Way of Greater Houston</u>			
Emergency Food & Shelter - National Board Program	97.024		196,896
<u>Texas Department of Public Safety -</u>			
<u>Division of Emergency Management</u>			
Regional Catastrophic Preparedness Grant	97.111	2009-CA-T9-0002	49,950
Urban Area Security Initiative (UASI) 2009	97.008	2009-SS-T9-0064	430,933
Urban Area Security Initiative (UASI-LEAP) 2009	97.008	2009-SS-T9-0064	716,930
Urban Area Security Initiative (UASI) 2010	97.008	2010-SS-T0-0008	1,924,679
Urban Area Security Initiative (UASI-LETPA) 2010	97.008	2010-SS-T0-0008	212,153
Urban Area Security Initiative (UASI) 2011	97.067	EMW-2011-SS-00019	671,077
Urban Area Security Initiative (UASI-LETPA) 2011	97.067	EMW-2011-SS-00019	189,814
Hazard Mitigation Program	97.039	DR 1791-194	12,343
Emergency Management Performance Grant	97.042	12-TX-EMPG-0511	105,632
State Homeland Security Program (SHSP) 2010	97.073	2010-SS-T0-0008	52,351
State Homeland Security Program (SHSP-LETPA) 2010	97.073	2010-SS-T0-0008	2,718
State Homeland Security Program (SHSP) 2011	97.067	EMW-2011-SS-00019	23,350
Total Passed Through Texas Department of Public Safety, Division on Emergency Management			4,391,930
Total U.S. Department of Homeland Security			4,588,826
U.S. Department of Health & Human Services			
Pass-Through Programs From:			
<u>Texas Department of Family & Protective Services</u>			
Foster Care Title IV-E FY'12 (Legal) (ARRA)	93.658	23941775	115,934
Foster Care Title IV-E FY'12 (CWS) (ARRA)	93.658	23941778	24,574
Total Passed Through Texas Department of Family & Protective Services			140,508
<u>Texas Juvenile Probation Commission</u>			
Title IV-E Foster Care Reimbursement Program	93.658	TJPC E-2012-079	30,225

The accompanying notes are an integral part of this schedule.

FORT BEND COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>Texas Department of State Health Services</u>			
Public Health Emergency Preparedness (PHEP) (Hazards)	93.069	2011-038703	400,179
Public Health Emergency Preparedness (PHEP) (Hazards)	93.069	2013-041111-004	21,482
Public Health Emergency Preparedness - CRI - Cities Readiness Initiative	93.069	2011-038512	143,846
Public Health Emergency Preparedness - CRI - Cities Readiness Initiative	93.069	2013-041111-002	5,003
Public Health Emergency Preparedness - Risk Based	93.069	2012-040288	52,523
Preventive Health Block Grant - RLSS-Local Public Health System	93.991	2012-039505	24,759
Preventive Health Block Grant - RLSS-Local Public Health System	93.991	2013-041111-006	2,150
Immunization Cooperative Agreement - Locals	93.268	2012-039516	204,493
Immunization Cooperative Agreement - Locals	93.268	2013-041111-005	17,204
Tuberculosis Prevention & Control - Federal	93.116	2011-037504	28,812
Tuberculosis Prevention & Control - Federal	93.116	2012-040154	51,885
Tuberculosis Prevention & Control - Federal	93.116	2013-041111-007	7,101
Total Passed Through Texas Department of State Health Services			959,437
			<hr/>
<i>Total U.S. Department of Health & Human Services</i>			1,130,170
			<hr/>
U.S. Department of Energy			
Texas Energy Efficiency & Conservation Block Grant (ARRA)	81.128	DE-EE000916	177,634
			<hr/>
<i>Total U.S. Department of Energy</i>			177,634
			<hr/>
U.S. Election Commission			
Pass-Through Programs From:			
<u>Texas Secretary of State</u>			
HAVA General Compliance	90.401		3,795
			<hr/>
<i>Total U.S. Election Commission</i>			3,795
			<hr/>
U.S. Environmental Protection Agency			
FY05 EPA Stag Grant	66.606		389,039
FY06 EPA Stag Grant	66.606		874,450
FY08 EPA Stag Grant	66.202		29,995
			<hr/>
<i>Total US Environmental Protection Agency</i>			1,293,484
			<hr/>
<i>Total Expenditures of Federal Awards</i>			\$ 18,020,157

The accompanying notes are an integral part of this schedule.

FORT BEND COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal grant activity of the Fort Bend County, Texas (the "County") under programs of the federal government for the year ended September 30, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. 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 assets or cash flows of the County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County accounts for all awards under programs of the federal 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.

Federal 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 deferred revenues until earned. Otherwise, federal grant funds are received on a reimbursement basis from the respective federal program agencies. Generally, unused balances are returned to the grantor at the close of specified project periods.

NOTE 3 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the County provided federal awards to sub recipients as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amounts Provided to Subrecipients</u>
14.218	Community Development Block Grant - Entitlement Grants	\$ 424,448
14.231	ESG Program	101,508
14.239	HOME Program	69,349
16.738	Felony Drug Court (CARD), Misdemeanor DWI Court	150,000

FORT BEND COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- a. Material weakness(es) identified? Yes - #12-01
- b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

Noncompliance material to the financial statements noted?

FEDERAL AWARDS

Internal control over major programs:

- a. Material weakness(es) identified? No
- b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of OMB Circular A-133? No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.500 , 20.507	Federal Transit Cluster
14.218	Community Development Block Grant--
	Entitlement Grants Cluster
14.264	Neighborhood Stabilization Program
97.008 , 97.067	Homeland Security Program
66.202 , 66.606	Environmental Protection Agency
93.069	Public Health Emergency Preparedness

Dollar threshold used to distinguish between type A and type B programs: \$540,605

Auditee qualified as low-risk auditee? No

FORT BEND COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding #12-01 – Accounting for Fines and Fees

Criteria

A software program should be in place which records the initial assessment of all fines and fees, records the subsequent collection of fines and fees and identifies outstanding fines and fees. Further, this software program should be used by all County departments that assess fines and fees.

Condition

The County does not have a software program in place which records the initial assessment of all fines and fees, records the subsequent collection of fines and fees and identifies outstanding fines and fees. Various departments within the County use various programs to record fines and fees, and some of these departments are unable to produce an accurate listing of outstanding fines and fees at year-end. Therefore, the County is not able to record an accurate amount of receivables for fines and fees on its general ledger at year-end. The County currently uses a method of estimates and assumptions in order to determine the amount of the receivable at year-end. In addition, the receivable for fines and fees recorded on the general ledger has not been adjusted or reviewed in the past five years.

Context

This was determined while reviewing receivables recorded on the general ledger at year-end.

Effect

Not having all departments using a single software program which records the initial assessment of all fines and fees, records the subsequent collection of fines and fees and identifies outstanding fines and fees, results in an increased risk of fines and fees not being properly recorded and collected and also results in an increased risk that the receivable for fines and fees recorded on the general ledger is misstated.

Cause

The County does not have a software program in place which records the initial assessment of all fines and fees, records the subsequent collection of fines and fees and identifies outstanding fines and fees. The County uses a method of estimates and assumptions in order to determine the amount of the receivable for fines and fees at year-end.

Recommendation

The County should implement a software program or other capability which records the initial assessment of all fines and fees, records the subsequent collection of fines and fees and identifies outstanding fines and fees. Further, this software program or other capability should be used by all departments within the County that collect fines and fees.

Views of Responsible Officials and Planned Corrective Actions

See Section V.

FORT BEND COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters reported.

FORT BEND COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

SECTION IV - STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Finding #11-01 – Accounting for Fines and Fees

See current year finding #12-01 in Section II.

Finding #11-02 – Recording of Expenditures/Expenses

The County has implemented controls to ensure that expenditures/expenses are posted to the correct expenditure/expense categories, including invoices which are coded to expenditure/expense categories by bookkeepers of the component units of the County.

FORT BEND COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

SECTION V-CORRECTIVE ACTION PLAN

Finding #12-01 – Accounting for Fines and Fees

Responsible Person – Ed Sturdivant, County Auditor

Corrective Action Plan

The courts management software is being modified by the vendor to accommodate the timely and accurate reporting of receivables related to fines, fees and court costs. The solution will be presented to the county along with the implementation plan by September 30, 2013. The solution is expected to be in place during fiscal year 2014.

Estimated Completion Date – Fiscal Year 2014