



Fort Bend County Drainage District FY2025 External Audit Results

March 26, 2026

Agenda



Audit Scope and Results



Future Pronouncements and Other Matters



Questions

Audit Scope and Results

Unmodified “Clean” Opinions

- Independent Auditor’s Report on the Basic Financial Statements
- Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Audit Adjustments

- Proposed audit adjustments recorded:
 - Intergovernmental revenue and receivable related to Hurricane Harvey
- Proposed audit adjustments not recorded:
 - *See attachment to management representation letter.*

Audit Scope and Results (Continued)

Qualitative Aspects of Significant Accounting Policies and Practices

- Significant Accounting Policies
 - See *Note 1* of the audited financial statements
 - Implementation of GASB 101, *Compensated Absences*
- Alternative Accounting Treatments
 - No matters are reportable
- Management Judgements & Accounting Estimates
 - Allowance for uncollectible receivables
 - Useful lives of capital assets and depreciation expense
 - Net OPEB liability assumptions
 - Net pension liability assumptions

Audit Scope and Results (Continued)

Qualitative Aspects of Significant Accounting Policies and Practices (Continued)

- Financial Statement Disclosures
 - Employee retirement system
 - Other postemployment benefits
 - Contingent liabilities
 - Risk management

Audit Scope and Results (Continued)

Required Communications Regarding Internal Control

- Refer to the 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* – Independent Auditor’s Report.



**Future
Pronouncements
and Other
Matters**



Accounting Updates – GASB Statement No. 103, *Financial Reporting Model Improvements*

Overview

- This statement improves the financial reporting model by standardizing the presentation for various matters within governmental financial statements. The purpose is to eliminate diversity in practice and improve comparability.
- Impacted areas include management’s discussion and analysis, unusual or infrequent items, the definitions and presentation of operating and nonoperating revenues and expenses in enterprise funds, presentation of major component units, presentation of budgetary comparison information, and financial trends information within the statistical section of separately issued financial reports.

Effective Date

- The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. Changes are required to be made retroactively to the earliest period presented.
- Effective for District’s Fiscal Year 2026.
- The District is in the process of evaluating the impact of this Standard on the financial statements as a whole for the District.



Accounting Updates – GASB Statement No. 104, *Disclosure of Certain Capital Assets*

Overview

- This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34.
- The purpose is to provide users of government financial statements with essential information about certain types of capital assets. Impacted areas include lease assets, intangible right-to-use assets, subscription assets, intangible assets other than those three types, and capital assets held for sale.

Effective Date

- The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.
- Effective for District’s Fiscal Year 2026.
- The District is in the process of evaluating the impact of this Standard on the financial statements as a whole for the District.



Accounting Updates – GASB Statement No. 105, *Subsequent Events*

Overview

- The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in the application and better meeting the information needs of financial statement users.

Effective Date

- The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged.
- Effective for District’s Fiscal Year 2027.

Industry Insights

Five Core Priorities for 2026 and Beyond

- 
- Addressing Staffing Shortages & Their Impacts
 - Enhancing Financial Reporting Capabilities
 - Prioritizing Cybersecurity Compliance
 - Unlocking Government Potential With Operational Assessments
 - Embracing Hyperautomation & AI in the Public Sector



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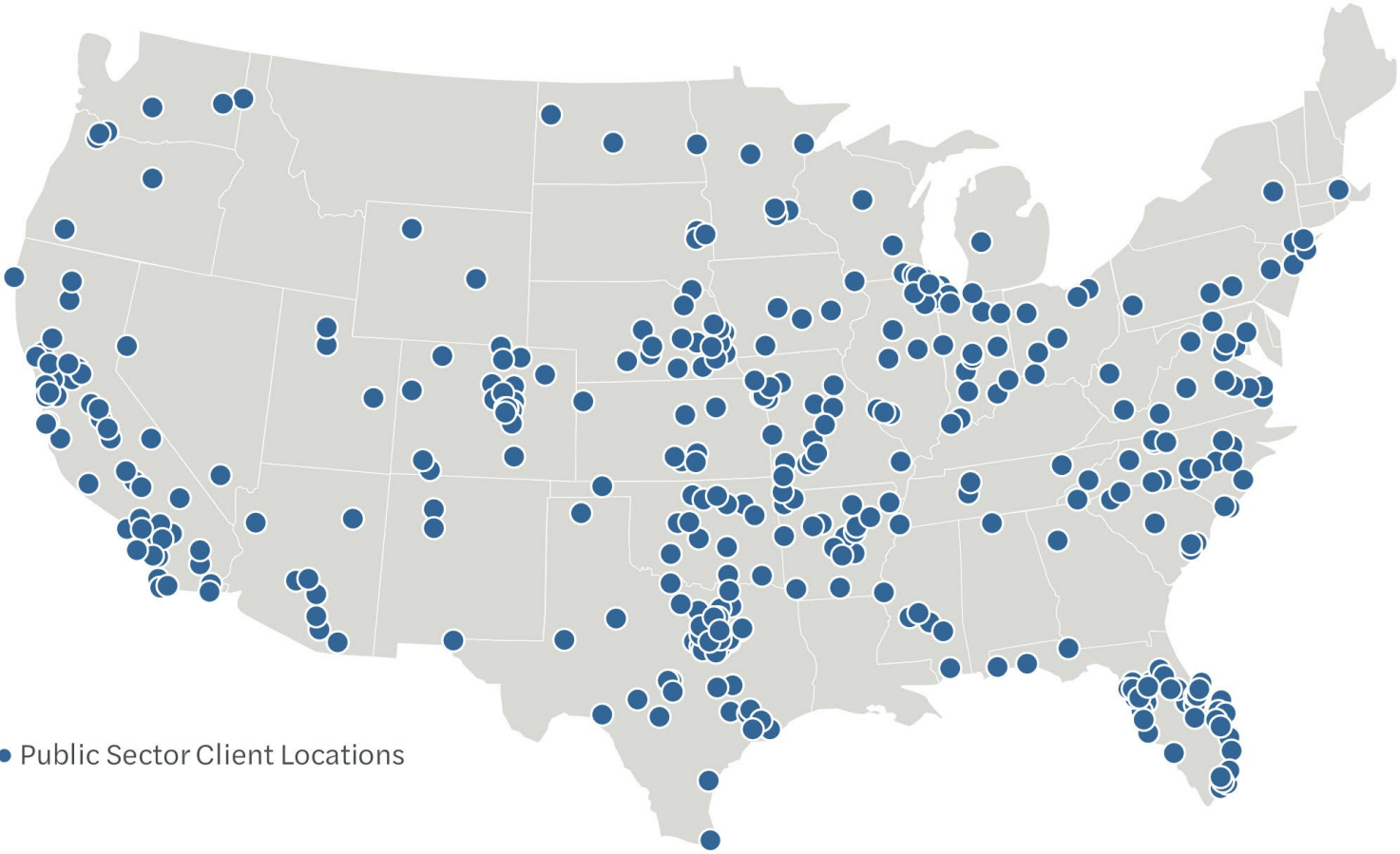
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*Per Federal Clearinghouse Data for 2024 Year-Ends

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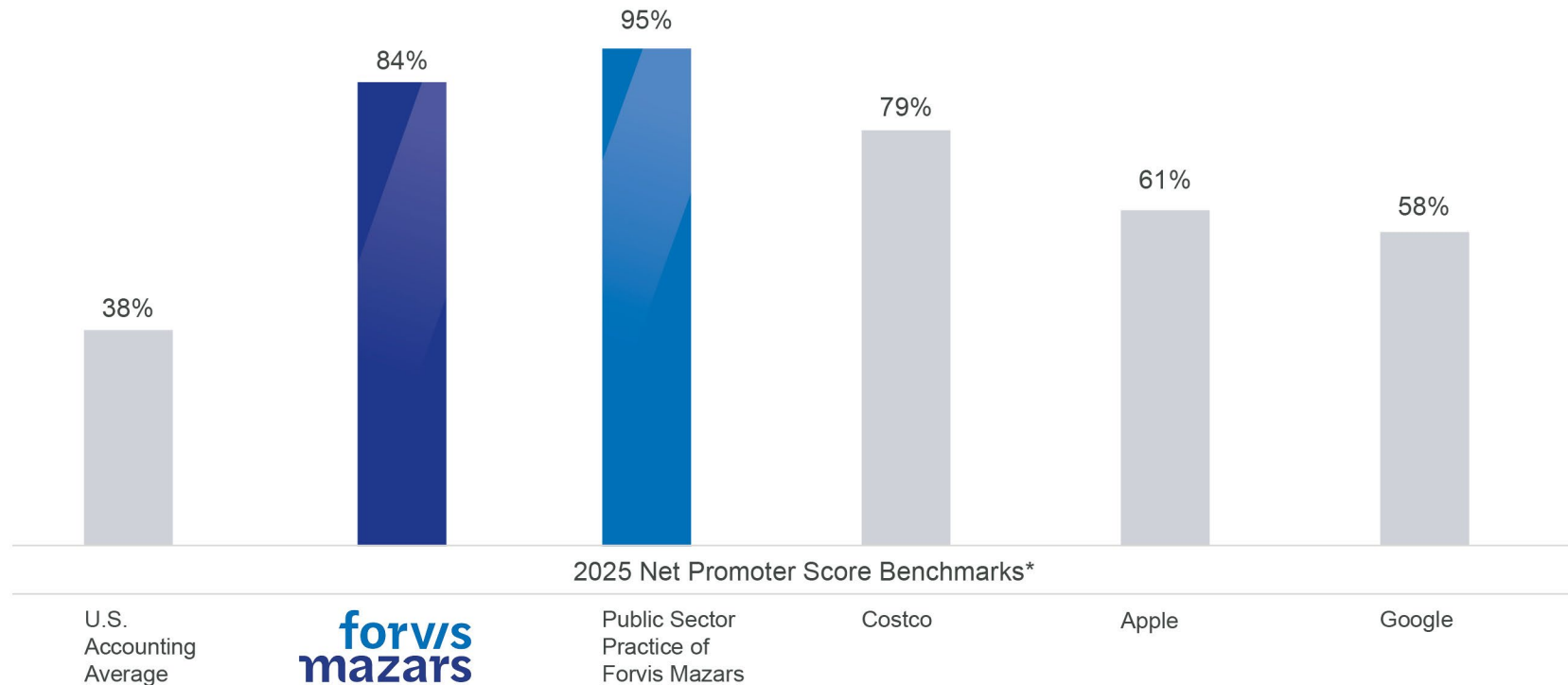
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NPS is a simple metric based on a survey question that asks your clients how likely they are to recommend your firm to a friend or colleague on a numeric scale of 0–10. To better understand how the NPS of Forvis Mazars was calculated, visit ClearlyRated's resource for [NPS for Accounting Firms](#). Below, we have shared statistics regarding the NPS of Forvis Mazars and comparable scores from other leading brands and our industry.



NPS Data Source: CustomerGauge (<https://customergauge.com/benchmarks/blog/top-highest-nps-scores>).

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Questions?

Thank You!

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