

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

FIRST AMENDMENT TO
 AGREEMENT FOR AUDIT SERVICES
 BETWEEN WHITLEY PENN LLP AND FORT BEND COUNTY DRAINAGE DISTRICT

This First AMENDMENT of the Agreement for Audit Services is made and entered into by and between Fort Bend County Drainage District (hereinafter "District") and Whitley Penn LLP (hereinafter "Contractor"), a company authorized to conduct business in the State of Texas.

RECITALS

WHEREAS, on or about June 23, 2015, the Parties entered into the Agreement for Audit Services attached hereto as Exhibit "One" and incorporated by reference;

WHEREAS, the Parties now desire to amend a certain portion of the Agreement; and

NOW THEREFORE, for and in consideration of the mutual benefits to be derived by the parties hereto, County, and Contractor agree as follows:

I. Amendments

A. Section One, Subsection A is amended as follows:

Contractor shall render Audit Services in accordance with Exhibit A and Exhibit C to this Agreement.

B. Section Three, Subsection A is amended as follows:

Contractor's fees shall be calculated at the rates set forth in the attached Exhibit A and Exhibit C. The Maximum Compensation for the performance of Services within the Scope of Services described in Exhibit A and Exhibit C is twenty three thousand dollars and 00/100 (\$23,000.00). In no case shall the amount paid by District under this Agreement exceed the Maximum Compensation without an approved change order.

C. Section Four, Subsection B is amended as follows:

Contractor does further understand and agree, said understanding and agreement also being of the absolute essence of this Agreement, that the total maximum compensation that Contractor may become entitled to and the total maximum sum that District may

become liable to pay to Contractor shall not under any conditions, circumstances, or interpretations thereof exceed twenty three thousand dollars and 00/100 (\$23,000.00).

D. Section Five is amended as follows:

Contractor shall perform the Audit Services in compliance with the timelines stated in Exhibit A and Exhibit C. Timing of performance of Audit Services is of the essence. If delivery or completion dates cannot be met, Contractor must inform the County Auditor immediately. Providing this information does not change the delivery or completion dates unless this Agreement is amended.

E. Section Twenty Six, Subsection B is amended as follows:

With regard to conflicts between the Exhibits, the following Exhibits shall have priority: first Exhibit B, then Exhibit C, then Exhibit A.

II. Except as modified herein, any prior executed document remain in full force and effect and has not been modified or amended. In the event of conflict, the contents of this First Amendment shall prevail.

III. Execution

IN TESTIMONY OF WHICH, THIS AMENDMENT shall be effective upon execution of all parties.

"District"

FORT BEND COUNTY DRAINAGE DISTRICT

By: 

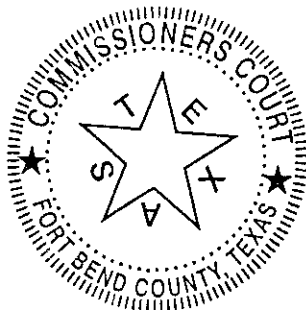
Robert E. Hebert, County Judge

Date: April 12, 2016

ATTEST:



Laura Richard, County Clerk



"Contractor"

WHITLEY PENN LLP

By: 

Name: Christopher L. Breax

Title: Partner

Date: 4 April 2016

ATTEST:

~~NAME~~ Vicki Bruno
Name

Date: 4/4/16

Attachments:

Exhibit One: Agreement for Audit Services

Exhibit C: Additional Scope of Services

AUDITOR'S CERTIFICATE

I hereby certify that funds are available in the amount of \$23000.00 to accomplish and pay the obligation of Fort Bend County under this contract.


Robert Edward Sturdivant, County Auditor

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Exhibit One:

Agreement for Audit Services

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

**AGREEMENT FOR AUDIT SERVICES BETWEEN
WHITLEY PENN LLP AND FORT BEND COUNTY DRAINAGE DISTRICT**

THIS AGREEMENT is made and entered into by and between Fort Bend County Drainage District, (hereinafter "District"), a body corporate and politic under the laws of the State of Texas, and Whitley Penn, LLP (hereinafter "Contractor"), a company authorized to conduct business in the State of Texas.

WITNESSETH

WHEREAS, District desires that Contractor provide professional Audit Services; and

WHEREAS, District has determined that this Agreement is for personal or professional services and therefore exempt from competitive bidding under Chapter 262 of the Texas Local Government Code; and

WHEREAS, Contractor represents that it is qualified and desires to perform such services.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth below, the parties agree as follows:

AGREEMENT

Section 1. Scope of Services

- A. Contractor shall render Audit Services in accordance with Exhibit A to this Agreement.
- B. Contractor shall provide District with written reports upon completion of Audit Services in both paper and electronic form, to include all charts, schedules and other appended documentation.
- C. This Agreement is effective upon execution of the Parties and continues until the Services have been performed, unless earlier terminated as provided in this Agreement.

Section 2. Personnel

- A. Contractor represents that it presently has, or is able to obtain, adequate qualified personnel in its employment for the timely performance of the Scope of Services required under this Agreement and that Contractor shall furnish and maintain, at its

own expense, adequate and sufficient personnel, in the opinion of District, to perform the Scope of Services when and as required and without delays.

- B. All employees of Contractor shall have such knowledge and experience as will enable them to perform the duties assigned to them. Any employee of Contractor who, in the opinion of District, is incompetent or by his conduct becomes detrimental to the project shall, upon request of District, immediately be removed from association with the project.

Section 3. Compensation and Payment

- A. Contractor's fees shall be calculated at the rates set forth in the attached Exhibit A. The Maximum Compensation for the performance of Services within the Scope of Services described in Exhibit A is thirteen thousand, five hundred dollars and 00/100 (\$13,500.00). In no case shall the amount paid by District under this Agreement exceed the Maximum Compensation without an approved change order.
- B. All performance of the Scope of Services by Contractor including any changes in the Scope of Services and revision of work satisfactorily performed will be performed only when approved in advance and authorized by District.
- C. Mutually approved travel and mileage expenses incurred in the performance of required services will be compensated only in accordance with the Fort Bend County's Travel Policy, a copy of which is attached as Exhibit B to this Agreement.
- D. Copy costs shall not exceed \$.10 per page, which is the maximum amount the District would be allowed to charge per the Texas Public Information Act.
- E. District will pay Contractor based on the following procedures: Upon completion of the tasks identified in the Scope of Services, Contractor shall submit to District two (2) original copies of invoices showing the amounts due for services performed in a form acceptable to District. District shall review such invoices and approve them within 30 calendar days with such modifications as are consistent with this Agreement and forward same to the Auditor for processing. District shall pay each such approved invoice within thirty (30) calendar days. District reserves the right to withhold payment pending verification of satisfactory work performed.

Section 4. Limit of Appropriation

- A. Contractor clearly understands and agrees, such understanding and agreement being of the absolute essence of this Agreement, that District shall have available the total maximum sum certified as available by the Fort Bend County Auditor, specifically allocated to fully discharge any and all liabilities District may incur.
- B. Contractor does further understand and agree, said understanding and agreement also being of the absolute essence of this Agreement, that the total maximum compensation

that Contractor may become entitled to and the total maximum sum that District may become liable to pay to Contractor shall not under any conditions, circumstances, or interpretations thereof exceed thirteen thousand, five hundred dollars and 00/100 (\$13,500.00).

Section 5. Time of Performance

Contractor shall perform the Audit Services in compliance with the timelines stated in Exhibit A. Timing of performance of Audit Services is of the essence. If delivery or completion dates cannot be met, Contractor must inform the County Auditor immediately. Providing this information does not change the delivery or completion dates unless this Agreement is amended.

Section 6. Modifications and Waivers

- A. The parties may not amend or waive this Agreement, except by a written agreement executed by both parties.
- B. No failure or delay in exercising any right or remedy or requiring the satisfaction of any condition under this Agreement, and no course of dealing between the parties, operates as a waiver or estoppel of any right, remedy, or condition.
- C. The rights and remedies of the parties set forth in this Agreement are not exclusive of, but are cumulative to, any rights or remedies now or subsequently existing at law, in equity, or by statute.

Section 7. Termination

- A. Termination for Convenience: District may terminate this Agreement at any time upon thirty (30) days written notice.
- B. Termination for Default
 - 1. District may terminate the whole or any part of this Agreement for cause in the following circumstances:
 - a. If Contractor fails to perform services within the time specified in the Scope of Services or any extension thereof granted by the District in writing;
 - b. If Contractor materially breaches any of the covenants or terms and conditions set forth in this Agreement or fails to perform any of the other provisions of this Agreement or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in any of these circumstances does not cure such breach or failure to District's reasonable satisfaction within a period of ten

(10) calendar days after receipt of notice from District specifying such breach or failure.

2. If, after termination, it is determined for any reason whatsoever that Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the District in accordance with Section 7A above.
- C. Upon termination of this Agreement, District shall compensate Contractor in accordance with the Compensation and Payment Section above, for those services which were provided under this Agreement prior to its termination and which have not been previously invoiced to District. Contractor's final invoice for said services will be presented to and paid by District in the same manner set forth in the Compensation and Payment Section above.
- D. If District terminates this Agreement as provided in this Section, no fees of any type, other than fees due and payable at the Termination Date, shall thereafter be paid to Contractor.

Section 8. Ownership and Reuse of Documents

The written report(s) created by Contractor in fulfillment of its work under this Agreement, shall become the property of District upon completion of this Agreement, or in the event of termination or cancellation thereof, and at the time of payment under the Compensation and Payment Section for work performed.

Section 9. Inspection of Books and Records

Contractor will permit District, or any duly authorized agent of District, to inspect and examine the books and records of Contractor for the purpose of verifying the amount of work performed under the Scope of Services. District's right to inspect survives the termination of this Agreement for a period of four years.

Section 10. Insurance

- A. Prior to commencement of the Services, Contractor shall furnish District with properly executed certificates of insurance which shall evidence all insurance required and provide that such insurance shall not be canceled, except on 30 days' prior written notice to District. Contractor shall provide certified copies of insurance endorsements and/or policies if requested by District. Contractor shall maintain such insurance coverage from the time Services commence until Services are completed and provide replacement certificates, policies and/or endorsements for any such insurance expiring prior to completion of Services. Contractor shall obtain such insurance written on an Occurrence form from such companies having Bests rating of A/VII or better, licensed or

approved to transact business in the State of Texas, and shall obtain such insurance of the following types and minimum limits:

1. Workers' Compensation insurance in accordance with the laws of the State of Texas. Substitutes to genuine Workers' Compensation Insurance will not be allowed. Employers' Liability insurance with limits of not less than \$1,000,000 per injury by accident, \$1,000,000 per injury by disease, and \$1,000,000 per bodily injury by disease.
 2. Commercial general liability insurance with a limit of not less than \$1,000,000 each occurrence and \$2,000,000 in the annual aggregate. Policy shall cover liability for bodily injury, personal injury, and property damage and products/completed operations arising out of the business operations of the policyholder.
 3. Business Automobile Liability insurance with a combined Bodily Injury/Property Damage limit of not less than \$1,000,000 each accident. The policy shall cover liability arising from the operation of licensed vehicles by policyholder.
 4. Professional Liability insurance with limits not less than \$1,000,000.
- B. District and the members of the Drainage District Board shall be named as additional insured to all required coverage except for Workers' Compensation and Professional Liability. All Liability policies written on behalf of Contractor shall contain a waiver of subrogation in favor of District and members of the Drainage District Board
- C. If required coverage is written on a claims-made basis, Contractor warrants that any retroactive date applicable to coverage under the policy precedes the effective date of the Contract and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of 2 years beginning from the time the work under this Contract is completed.
- D. Contractor shall not commence any portion of the work under this Contract until it has obtained the insurance required herein and certificates of such insurance have been filed with and approved by District.
- E. No cancellation of or changes to the certificates, or the policies, may be made without sixty (60) days prior, written notification to District.
- F. Approval of the insurance by District shall not relieve or decrease the liability of the Contractor.

Section 12. Indemnity

CONTRACTOR SHALL INDEMNIFY AND DEFEND DISTRICT AGAINST ALL LOSSES, LIABILITIES, CLAIMS, CAUSES OF ACTION, AND OTHER EXPENSES, INCLUDING REASONABLE ATTORNEYS FEES, ARISING FROM ACTIVITIES OF CONTRACTOR, ITS AGENTS, SERVANTS OR EMPLOYEES, PERFORMED UNDER THIS AGREEMENT THAT RESULT FROM THE NEGLIGENT ACT, ERROR, OR OMISSION OF CONTRACTOR OR ANY OF CONTRACTOR'S AGENTS, SERVANTS OR EMPLOYEES.

Section 13. Confidential and Proprietary Information

- A. Contractor acknowledges that it and its employees or agents may, in the course of performing their responsibilities under this Agreement, be exposed to or acquire information that is confidential to District. Any and all information of any form obtained by Contractor or its employees or agents from District in the performance of this Agreement shall be deemed to be confidential information of District ("Confidential Information"). Any reports or other documents or items (including software) that result from the use of the Confidential Information by Contractor shall be treated with respect to confidentiality in the same manner as the Confidential Information. Confidential Information shall be deemed not to include information that (a) is or becomes (other than by disclosure by Contractor) publicly known or is contained in a publicly available document; (b) is rightfully in Contractor's possession without the obligation of nondisclosure prior to the time of its disclosure under this Agreement; or (c) is independently developed by employees or agents of Contractor who can be shown to have had no access to the Confidential Information.
- B. Contractor agrees to hold Confidential Information in strict confidence, using at least the same degree of care that Contractor uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than the provision of Services to District hereunder, and to advise each of its employees and agents of their obligations to keep Confidential Information confidential. Contractor shall use its best efforts to assist District in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limitation of the foregoing, Contractor shall advise District immediately in the event Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Agreement and Contractor will at its expense cooperate with District in seeking injunctive or other equitable relief in the name of District or Contractor against any such person. Contractor agrees that, except as directed by District, Contractor will not at any time during or after the term of this Agreement disclose, directly or indirectly, any Confidential Information to any person, and that upon termination of this Agreement or at District's request, Contractor will promptly turn over to District all documents, papers, and other matter in Contractor's possession which embody Confidential Information.

- C. Contractor acknowledges that a breach of this Section, including disclosure of any Confidential Information, or disclosure of other information that, at law or in equity, ought to remain confidential, will give rise to irreparable injury to District that is inadequately compensable in damages. Accordingly, District may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Contractor acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interest of District and are reasonable in scope and content.
- D. Contractor in providing all services hereunder agrees to abide by the provisions of any applicable Federal or State Data Privacy Act.
- E. Contractor expressly acknowledges that District is subject to the Texas Public Information Act, TEX. GOV'T CODE ANN. §§ 552.001 et seq., as amended, and notwithstanding any provision in the Agreement to the contrary, District will make any information related to the Agreement, or otherwise, available to third parties in accordance with the Texas Public Information Act. Any proprietary or confidential information marked as such provided to District by Consultant shall not be disclosed to any third party, except as directed by the Texas Attorney General in response to a request for such under the Texas Public Information Act, which provides for notice to the owner of such marked information and the opportunity for the owner of such information to notify the Attorney General of the reasons why such information should not be disclosed. The terms and conditions of the Agreement are not proprietary or confidential information.

Section 14. Independent Contractor

- A. In the performance of work or services hereunder, Contractor shall be deemed an independent contractor, and any of its agents, employees, officers, or volunteers performing work required hereunder shall be deemed solely as employees of contractor or, where permitted, of its subcontractors.
- B. Contractor and its agents, employees, officers, or volunteers shall not, by performing work pursuant to this Agreement, be deemed to be employees, agents, or servants of District and shall not be entitled to any of the privileges or benefits of District employment.

Section 15. Notices

- A. Each party giving any notice or making any request, demand, or other communication (each, a "Notice") pursuant to this Agreement shall do so in writing and shall use one of the following methods of delivery, each of which, for purposes of this Agreement, is a writing: personal delivery, registered or certified mail (in each case, return receipt requested and postage prepaid), or nationally recognized overnight courier (with all fees prepaid).
- B. Each party giving a Notice shall address the Notice to the receiving party at the address listed below or to another address designated by a party in a Notice pursuant to this Section:

District: Fort Bend Drainage District
Attn: Chair
401 Jackson Street
Richmond, Texas 77469

With a copy to: Fort Bend County Auditor
301 Jackson St.
Richmond, TX 77469

Contractor: Whitley Penn LLP
3411 Richmond Avenue, Ste. 500
Houston, TX 77046

- C. Notice is effective only if the party giving or making the Notice has complied with subsections 15(A) and 15(B) and if the addressee has received the Notice. A Notice is deemed received as follows:
1. If the Notice is delivered in person, or sent by registered or certified mail or a nationally recognized overnight courier, upon receipt as indicated by the date on the signed receipt.
 2. If the addressee rejects or otherwise refuses to accept the Notice, or if the Notice cannot be delivered because of a change in address for which no Notice was given, then upon the rejection, refusal, or inability to deliver.

Section 16. Compliance with Laws

Contractor shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any matter affecting the performance of this Agreement, including, without limitation, Worker's Compensation laws, minimum and maximum salary and wage statutes and regulations, licensing laws and regulations. When required by County, Contractor shall furnish District with certification of compliance with said laws, statutes, ordinances, rules, regulations, orders, and decrees above specified.

Section 17. Performance Warranty

- A. Contractor warrants to District that Contractor has the skill and knowledge ordinarily possessed by well-informed members of its trade or profession practicing in the greater Houston metropolitan area and Contractor will apply that skill and knowledge with care and diligence to ensure that the Services provided hereunder will be performed and delivered in accordance with the highest professional standards.
- B. Contractor warrants to District that the Services will be free from material errors and will materially conform to all requirements and specifications contained in the attached Exhibit A.

Section 18. Assignment and Delegation

- A. Neither party may assign any of its rights under this Agreement, except with the prior written consent of the other party. That party shall not unreasonably withhold its consent. All assignments of rights are prohibited under this subsection, whether they are voluntarily or involuntarily, by merger, consolidation, dissolution, operation of law, or any other manner.
- B. Neither party may delegate any performance under this Agreement.
- C. Any purported assignment of rights or delegation of performance in violation of this Section is void.

Section 19. Applicable Law

The laws of the State of Texas govern all disputes arising out of or relating to this Agreement. The parties hereto acknowledge that venue is proper in Fort Bend County, Texas, for all legal actions or proceedings arising out of or relating to this Agreement and waive the right to sue or be sued elsewhere. Nothing in the Agreement shall be construed to waive the District's sovereign immunity.

Section 20. Successors and Assigns

District and Contractor bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of the other party, in respect to all covenants of this Agreement.

Section 21. Third Party Beneficiaries

This Agreement does not confer any enforceable rights or remedies upon any person other than the parties.

Section 22. Severability

If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions remain in full force, if the essential terms and conditions of this Agreement for each party remain valid, binding, and enforceable.

Section 23. Publicity

Contact with citizens of Fort Bend County, media outlets, or governmental agencies shall be the sole responsibility of District. Under no circumstances whatsoever, shall Contractor release any material or information developed or received in the performance of the Services hereunder without the express written permission of District, except where required to do so by law.

Section 24. Captions

The section captions used in this Agreement are for convenience of reference only and do not affect the interpretation or construction of this Agreement.

Section 25. Entire Agreement

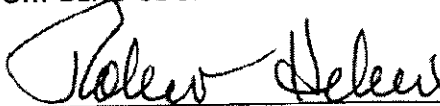
This Agreement contains the entire Agreement among the parties and supercedes all other negotiations and agreements, whether written or oral. Attached hereto is Exhibit A :Scope of Services dated May 15, 2015 and Exhibit B: Fort Bend County's Travel Policy; all of which are incorporate by reference as if set forth herein verbatim for all purposes.

Section 26. Conflict

- A. If there is a conflict between the terms of this document and the Attachments to it, the terms of this document overrides all Exhibits.
- B. With regard to conflicts between the Exhibits, Exhibit B overrides Exhibit A.

IN WITNESS WHEREOF, the parties hereto have signed or have caused their respective names to be signed to multiple counterparts to be effective on the 23rd day of June, 2015.

FORT BEND COUNTY DRAINAGE DISTRICT



Robert E. Hebert, County Judge

WHITLEY PENN, LLP



Authorized Agent- Signature

Christopher L. Breau
Authorized Agent- Printed Name

Partner
Title

23 JUN 2015
Date

ATTEST:



Laura Richard, County Clerk

MTR/I/Agreements/2015/Purchasing 6.18.15

AUDITOR'S CERTIFICATE

I hereby certify that funds are available in the amount of \$ 13,500.00 to accomplish and pay the obligation of Fort Bend Drainage District under this contract.

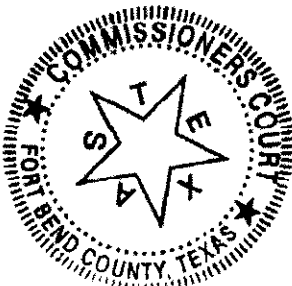

Robert Edward Sturdivant, County Auditor

Exhibit A

Scope of Services dated May 15, 2015





Houston Office
3411 Richmond Avenue
Suite 500
Houston, Texas 77046
713.621.1515 Main
whitleypenn.com

May 15, 2015

To the Board of Directors
Fort Bend County Drainage District
Fort Bend County, Texas

We are pleased to confirm our understanding of the services we are to provide the Fort Bend County Drainage District (the "District") for the year ended September 30, 2015. We will audit the financial statements of the governmental activities and general fund including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended September 30, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedules
- 3) Required Pension System Information

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Introductory Section
- 2) Texas Supplementary Information

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to Board of Directors of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards. To the extent they are applicable, these matters include:

- Significant deficiencies in internal controls
- Significant changes in accounting policies
- Our basis for conclusions regarding sensitive accounting estimates
- Significant Audit adjustments (recorded and unrecorded)
- Consultation by management with other accountants on significant matters
- Serious difficulties encountered in performing the audit
- Disagreements with management.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Whitley Penn LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Texas Commission on Environmental Quality (TCEQ) or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Whitley Penn LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to TCEQ or its designee. The TCEQ or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit on approximately June 1, 2015 and to issue our reports no later than February 13, 2016. Christopher L. Breaux, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

To the Board of Directors
Fort Bend County Drainage District
Fort Bend County, Texas
Page 6 of 6

RESPONSE:

This letter correctly sets forth the understanding of the Fort Bend County Drainage District.

Management signature: 

Title: County Auditor

Date: 6/26/2015

Governance signature: 

Title: County Judge

Date: 6-23-15

To the Board of Directors
Fort Bend County Drainage District
Fort Bend County, Texas
Page 5 of 6

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$13,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We would like to make the following comments regarding fee estimates:

- The County's personnel are responsible for the preparation of the items in the "PBC listing" and received by the date requested. Any delays caused by not preparing the items when requested may result in additional fees, as well as the possibility of postponing our fieldwork. The "PBC listing" will be provided to you during the planning process of the engagement.
- Our fee estimates have not considered the effects of any changes to auditing standards and accounting principles, which may promulgated by the AICPA, Congress or any other regulatory body in the future and are unknown to us at this time. If significant additional time is necessary resulting in increased fees, we will endeavor to notify you of any such circumstances as they are assessed.
- Time incurred for audit adjustments identified during our audit and the related additional testing required has not been considered in our fee estimates. Prior to performing any additional testing, we will notify you of the expectations and obtain approval for any additional fees which may be incurred.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Whitley Penn LLP

Fort Bend County Travel Policy

Approved in Commissioners' Court on November 3, 2009

Effective November 4, 2009

Revised September 7, 2010

The Commissioners' Court allocates funds annually for the payment of travel expenditures for county employees and officials within the individual departmental budgets. Travel expenditures paid from these budgets must serve a public purpose for Fort Bend County. These expenditures may be paid directly to the vendor or provided as a reimbursement to the employee/official upon completion of their travel. Advance payments to vendors may be accommodated by issuance of a check or use of a County procurement card. Eligible expenditure categories under this policy include: Lodging, meals, transportation, registration fees, and other fees (with justification). Each category is further defined below.

CONTRACT RATES:

Fort Bend County is a 'Cooperative Purchasing Participating Entity' with the State of Texas. This program is also known as TPASS (Texas Procurement and Support Services) State Travel Management Program (STMP). This gives County employees and officials access to the contract rates negotiated by the State for hotels and rental cars. Procurement procedures for these contract services are explained within the categories below.

OUT OF STATE TRAVEL:

Authorization: The traveler must obtain Commissioners' Court approval for out-of-state travel before departure. The duration must include travel days along with the event scheduled days. To prevent delays in processing travel reimbursement, ensure that the travel duration is accurately defined when submitting the agenda request.

Documentation: The traveler must provide an excerpt from the Commissioners' Court minutes (<http://www.co.fort-bend.tx.us/getSitePage.asp?sitePage=7269>) with the travel reimbursement form.

LODGING:

Hotel:

Texas: Hotel reimbursements are limited to contract hotel rates near the event site. Participating contract hotels are listed at http://portal.cpa.state.tx.us/hotel/hotel_directory/index.cfm. When making a reservation the traveler must ask for the State of Texas Contract rate and be prepared to provide the County's agency #: C0790. Contract hotels must be used unless a non-contract hotel provides a lower total cost or no contract hotel is available. If the organizer of a conference/seminar has negotiated discount rates with a hotel(s), the traveler may choose these lodging services without penalty. The traveler will be responsible for the excess charge over the contract hotel rates near the event site if they choose not to stay at a contract hotel or a conference

sponsored discounted hotel. The traveler may choose any hotel that is less than the contract hotel rates near the event site to save additional county funds. If no contract hotels are listed for the destination city, the traveler is required to choose lodging services near the event site that meet their needs at an economical rate.

Out-of-State: The traveler is required to choose lodging services near the event site that meet their needs at an economical rate.

Travel Days: If the traveler must leave before 7:00AM to arrive at the start of the event and/or return to the County after 6:00PM after the event concludes, an additional night's lodging is allowable before and/or after the event.

Additional fees: Fees for additional services (internet, telephone, valet, parking...) require justification to be allowable.

Gratuities: Gratuities are not reimbursable for any lodging services.

Overpayments by County: Any lodging overpayment by the County must be reimbursed by the hotel before processing a reimbursement to the traveler for any of the categories addressed in this policy. Prepaid lodging services should be accurately calculated or underestimated by excluding the taxes to prevent delays in processing travel reimbursements.

Procurement Card: The traveler may use the procurement card to make lodging reservations. Contact Purchasing to arrange or use the procurement card assigned to the department or traveler.

Documentation: The original itemized hotel statement must be submitted with the travel reimbursement claim showing a zero balance. A copy of the itemized hotel statement must be submitted with the travel reimbursement claim if the traveler used a County procurement card to purchase lodging services or prepaid by County check. Event agenda/documentation or a letter from the traveler describing the event/meeting is required. If utilizing conference negotiated hotel rates, documentation of rates is required.

MEALS:

Texas: Meals including gratuities will be reimbursed to the traveler at a flat rate of \$36/day. If a traveler departs after 2:00PM or returns by 12:00PM the reimbursement rate will be \$18/day for that day.

Out-of-state: Meals including gratuities will be reimbursed to the traveler at a flat rate of \$48/day. If a traveler departs after 2:00PM or returns by 12:00PM the reimbursement rate will be \$24/day for that day.

Day trips: Meals will not be reimbursed for trips that do not require an overnight stay.

Procurement Card: No meal purchases are allowed on any County procurement card.

Documentation: No meal receipts are required for reimbursement. Event agenda/documentation or a letter from the traveler describing the event/meeting is required.

TRANSPORTATION:

Personal Vehicle: Use of personal vehicle will be reimbursed at the current rate/mile set by Commissioners' Court. Mileage should be calculated using the County

office location of the traveler and the event location. Mileage may not be calculated using the traveler's home. Mileage should be calculated using an employee's vehicle odometer reading or by a readily available online mapping service for travel out of Fort Bend County. If using the mileage of an online mapping service, state which mapping service was used or provide a printout of your route detailing the mileage. For local travel, odometer readings or mapping service details are not required. Departments should develop a mileage guide for employees for local travel points, if a department does not have a mileage guide, the Auditor's Office will determine if the mileage listed is reasonable.

County Vehicle: Fuel purchases when using a County vehicle must be made with the County fuel card. Original receipts must be provided with reimbursement request.

Airfare: Airfare is reimbursable at the lowest available rate based on 14 day advance purchase of a discounted coach/economy full-service seat. The payment confirmation and itinerary must be presented with the travel reimbursement form. Trip insurance is not an allowable expense.

Rental Car: Rental cars are limited to the negotiated TPASS rates listed at: <http://www.window.state.tx.us/procurement/prog/stmp/stmp-rental-car-contract/vendor-comparison/>. The contact information for Avis is listed here: <http://www.window.state.tx.us/procurement/prog/stmp/stmp-rental-car-contract/Avis/>. The contact information for Enterprise is listed here: <http://www.window.state.tx.us/procurement/prog/stmp/stmp-rental-car-contract/Enterprise/>. You will need to make your reservations at least 14 days in advance and provide the County's agency #: C0790. The instructions for reserving with each agency are explained at the individual web sites above. The traveler will not be reimbursed for any amount over the negotiated contract rates if a non-contract company is used at a higher rate. The traveler may use a non-contract vendor at a rate lower than the contract rates with no penalty. The original contract/receipt must be presented with the travel reimbursement form or a copy if a County procurement card is used. Optional rental car fees are not reimbursable such as GPS, prepaid fuel, premium radio, child safety seats and additional insurance.

Other Transportation: Other forms of transit (bus, taxi, train) are reimbursable with an original receipt.

Additional fees: Fees for additional services (tolls, parking...) require justification to be allowable. Optional rental car fees are not reimbursable (GPS, prepaid fuel, premium radio, additional insurance, child safety seats...). Original receipts or documentation are required for allowable fees.

Gratuities: Gratuities are not reimbursable for any transportation services.

Procurement Card: The traveler may use a County procurement card to make transportation reservations for air travel and rental car services. Contact Purchasing to arrange or use the procurement card assigned to the department or traveler.

Documentation: Original receipts are required for all transportation reimbursements paid by the traveler. Transportation services obtained with a County procurement card require a copy of the receipt. Additional requirements are noted within each

category above. Event agenda/documentation or a letter from the traveler describing the event/meeting is required.

REGISTRATION:

Registration fees: Registration fees are reimbursable for events that serve a Fort Bend County purpose.

Procurement Card: The traveler may use a County procurement card to register for an event. Contact Purchasing to arrange or use the procurement card assigned to the department or traveler.

Documentation: An original receipt must be obtained upon registration and submitted with the reimbursement request if paid by the traveler. A copy of the receipt must be provided if registration is paid on a County procurement card. Event agenda/documentation or a letter from the traveler describing the event/meeting is required.

GRANTS:

Travel expenditures from Federal and State grants must also conform to the granting agency's funding requirements.

PACKAGE AND GROUP TRAVEL RATES:

The traveler may obtain a package travel rate for airfare, hotel, and/or rental car services for a combined rate of less than the individual rates pursuant to the category requirements above without penalty. The traveler may also participate in group lodging or rental car services for a combined rate of less than the individual per person rates pursuant to the category requirements without penalty.

TRAVEL REIMBURSEMENT FORM:

The traveler must use the current travel reimbursement form <http://econnect/index.aspx?page=55>) for all travel related services addressed in this policy. No other expenditures may be submitted for reimbursement on the travel reimbursement form. After completing all required information, the travel form must be signed/dated by the traveler and the department head/elected official.

Exhibit C:

Additional Scope of Services



Houston Office
3411 Richmond Avenue
Suite 500
Houston, Texas 77046
713.621.1515 Main
whitleypenn.com

March 24, 2016

To the Board of Directors
and County Auditor
Fort Bend County Drainage District
Fort Bend County, Texas

This letter is to serve as an amendment to our engagement letter dated May 15, 2015 regarding the audit of the financial statements of Fort Bend County Drainage District (the "District") as of and for the year ended September 30, 2015 which served as Attachment A – "Scope of Services dated May 15, 2015" to the Agreement For Audit Services Between Whitley Penn LLP and Fort Bend County Drainage District effective June 23, 2015.

We will extend our scope of services to add the close out audit of the financial statements of the Fort Bend Flood Control Water Supply Corporation (the "Corporation") as of and for the thirteen months ended October 31, 2015.

Additional fees for these services will be \$9,500.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

A handwritten signature in black ink that reads "Whitley Penn LLP".

Whitley Penn, LLP

Response:

This letter correctly sets forth the understanding of the Fort Bend County Drainage District:

For the District _____

Title _____

Date: _____

CERTIFICATE OF INTERESTED PARTIES**FORM 1295**

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY
CERTIFICATION OF FILING**

Certificate Number:
2016-34748

Date Filed:
04/04/2016

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Whitley Penn LLP
Houston, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Fort Bend County Drainage District

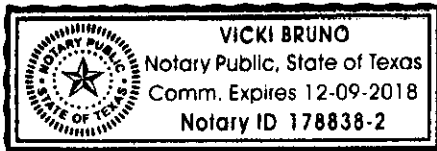
3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.

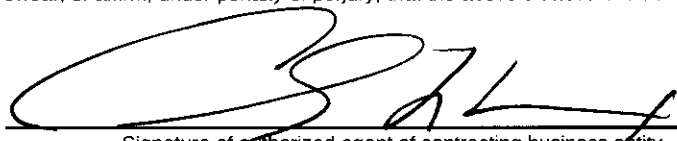
24507
Amendment to Agreement for Audit Services

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO Interested Party.**6 AFFIDAVIT**


I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.




Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said Christopher L. Bruny, this the 4 day of April, 2016, to certify which, witness my hand and seal of office.


Signature of officer administering oath

Vicki Bruno
Printed name of officer administering oath

NOTARY
Title of officer administering oath

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Whitley Penn LLP
Houston, TX United States

Certificate Number:
2016-34748

Date Filed:
04/04/2016

Date Acknowledged:
04/12/2016

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Fort Bend County Drainage District

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.

24507
Amendment to Agreement for Audit Services

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO Interested Party.



6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20_____, to certify which, witness my hand and seal of office.

Signature of officer administering oath

Printed name of officer administering oath

Title of officer administering oath