

**MONTGOMERY
COUNTY, TEXAS**

FEDERAL AND STATE SINGLE AUDIT REPORT

FOR THE YEAR ENDED

SEPTEMBER 30, 2017

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**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**

To The Honorable County Judge
and County Commissioners and Management of
Montgomery County
P.O. Box 539
Conroe, Texas 77305-0539

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Montgomery County, Texas (the County) as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 19, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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*.

To The Honorable County Judge
and County Commissioners and Management of
Montgomery County, Texas

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
March 19, 2018

**Independent Auditor's Report on the Schedule of Expenditures of
Federal and State Awards and on Compliance for Each Major Federal
and State Program and Report on Internal Control over Compliance
in Accordance with the Uniform Guidance and Texas
Uniform Grant Management Standards**

To The Honorable County Judge
and County Commissioners and Management of
Montgomery County
P.O. Box 539
Conroe, Texas 77305-0539

Report on Compliance for Each Major Federal Program

We have audited the Montgomery County, Texas (the County) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* and *Texas Uniform Grant Management Standards (UGMS)* that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2017. 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.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Texas Uniform Grant Management Standards. Those standards, the Uniform Guidance and UGMS 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 and state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2017.

To The Honorable County Judge
and County Commissioners and Management of
Montgomery County, Texas

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and Texas 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 federal and 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 federal and state program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and Texas Uniform Grant Management Standards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2017 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 19, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal and State Awards (the Uniform Guidance and Texas Uniform Grant Management Standards) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Texas Uniform Grant Management Standards. Accordingly, this report is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
March 19, 2018

MONTGOMERY COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA # Number	Project Number	Grant Funds Expended	Pass-Through Amount to Subrecipients
FEDERAL FUNDING:				
U.S. DEPARTMENT OF AGRICULTURE				
Child Nutrition Cluster:				
Direct Program:				
National School Lunch Program (16-17SY)	10.555	CEID: 01340	\$ 29,170	\$ -
National School Lunch Program (17-18SY)	10.555	CEID: 01340	5,691	-
National School Breakfast Program (16-17SY)	10.553	CEID: 01340	19,358	-
National School Breakfast Program (17-18SY)	10.553	CEID: 01340	5,931	-
Total Child Nutrition Cluster			60,150	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			60,150	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Program:				
Community Development Block Grant	14.218	B-10-UC-48-0006	11,003	-
Community Development Block Grant	14.218	B-11-UC-48-0006	136,180	-
Community Development Block Grant	14.218	B-12-UC-48-0006	14,792	-
Community Development Block Grant	14.218	B-13-UC-48-0006	99,928	-
Community Development Block Grant	14.218	B-14-UC-48-0006	316,563	-
Community Development Block Grant	14.218	B-15-UC-48-0006	281	-
Community Development Block Grant	14.218	B-16-UC-48-0006	941,738	345,241
Total Program 14.218			1,520,485	345,241
Emergency Shelter Grants Program (ESGP)	14.231	E-16UC-48-0006	-	195,576
Total Program 14.231			-	195,576
Home Program	14.239	M-12-UC-48-0235	8,585	-
Home Program	14.239	M-14-UC-48-0235	82,714	-
Home Program	14.239	M-15-UC-48-0235	42,410	-
Home Program	14.239	M-16-UC-48-0235	115,861	-
Total Program 14.239			249,570	-
Total Direct Program			1,770,055	540,817
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			1,770,055	540,817
U.S. DEPARTMENT OF JUSTICE				
Direct Program:				
Federal Equitable Sharing	16.922	TX1700000	17,603	-
Total Direct Program			17,603	-
Passed Through the State Criminal Justice Division:				
Child Victim Coordinator Project	16.575	2872001	78,783	-
Domestic Violence Prosecutor	16.588	2485606	73,199	-
Total Passed Through the State Criminal Justice Division			151,982	-
TOTAL U.S. DEPARTMENT OF JUSTICE			169,585	-
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through the State Department of Transportation:				
Airport Master Plan	20.106	16MPCONRO	124,485	-
Runway Incursion Mitigation Grant	20.106	1612CNROE	4,696	-
Design Reimbursement for Taxiway for Runway 14-32	20.106	1712CONRO	266,526	-
Total Program 20.106			395,707	-
FM2978- Spring Creek to FM 1488-ARRA	20.205	3050-02-016	41,664	-
249 Ext & FM 2978 Widening - Wetlands Mitigation	20.205	3050-02-024	1,217,810	-
Urban Mobility/Rehab Project	20.205	0912-37-140	17,848	-
Total Program 20.205			1,277,322	-

The accompanying notes are an integral part of this schedule.

MONTGOMERY COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA # Number	Project Number	Grant Funds Expended	Pass-Through Amount to Subrecipients
Highway Safety Cluster:				
Passed Through the State Department of Transportation:				
STEP-Speed FY 17	20.600	2017-MontgoSO-S-1YG-0003	69,599	-
STEP-Impaired Driving Mobilization	20.601	2017-MontgoSO-IDM-00032	6,993	-
Passed Through the Houston-Galveston Area Council:				
STEP-Impaired Driving Mobilization	20.601	TDOT.17.0601-05	5,093	-
Passed Through the State Department of Transportation:				
Alcohol Traffic Safety & Drunk Driving Prevention Incentive	20.616	2017-MCDAO-G-1YG-0113	139,132	-
Total Highway Safety Cluster			220,817	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			1,893,846	-
U.S. INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Passed Through the State Library and Archives Commission:				
Interlibrary Loan Lending Reimbursement Program	45.310	LS-00-15-0044-15	15,927	-
TOTAL U.S. INSTITUTE OF MUSEUM AND LIBRARY SERVICES			15,927	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through the State Department of Family and Protective Services:				
Foster Care Title IV-E (ADM)	93.658	23940072	9,253	-
Foster Care Title IV-E	93.658	23940074	58,846	-
Total Passed Through the State Department of Family and Protective Services			68,099	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			68,099	-
EXECUTIVE OFFICE OF THE PRESIDENT				
Direct Program:				
High Intensity Drug Trafficking Areas	95.001	G15HN0017A	185	-
High Intensity Drug Trafficking Areas	95.001	G16HN0017A	16,883	-
High Intensity Drug Trafficking Areas	95.001	G17HN0017A	10,995	-
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT			28,063	-
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through the State Division of Emergency Management:				
April Severe Weather Public Assistance Grant Program	97.036	FEMA-DR-4269-TX	70,980	-
May Severe Weather Public Assistance Grant Program	97.036	FEMA-DR-4272-TX	55,222	-
Texas Hurricane Harvey	97.036	FEMA-DR-4332-TX	2,222,475	-
Total Program 97.036			2,348,677	-
Passed Through the State Criminal Justice Division:				
HSGP-Generator for County Fire Marshal Office	97.067	2961201	57,732	-
HSGP-Montgomery County Community Preparedness	97.067	2976301	18,998	-
HSGP-Montgomery County Community Preparedness	97.067	2976302	67,024	-
HSGP-Montgomery County Regional Team Sustainment	97.067	2976401	262,885	-
HSGP-Montgomery County Regional HazMat Team Sustainment	97.067	2976402	4,000	-
HSGP- Montgomery County Law Enforcement Sustainment	97.067	2976502	92,050	-
HSGP- Montgomery County Law Enforcement PPE	97.067	2976601	9,648	-
HSGP- Montgomery County Special Law Enforcement Capabilities	97.067	3182601	312,986	-
HSGP- Montgomery County Structural Collapse Sustainment	97.067	3181901	32,500	-
HSGP- Montgomery County EOC Sustainment	97.067	2976901	20,619	-
HSGP- Montgomery County EOC Sustainment	97.067	2976902	95,628	-
HSGP- Montgomery County Public Safety Video Initiative	97.067	2977001	186,604	-
HSGP- Montgomery County Regional Planners	97.067	2977101	44,357	-
HSGP- Montgomery County Regional Planners	97.067	2977102	105,147	-
HSGP- Montgomery County M&A	97.067	2986501	12,981	-
HSGP- Montgomery County M&A	97.067	2986502	19,932	-
Total Program 97.067			1,343,091	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			3,691,768	-
TOTAL FEDERAL FUNDING			7,697,493	540,817

The accompanying notes are an integral part of this schedule.

MONTGOMERY COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT K-1

Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA # Number	Project Number	Grant Funds Expended	Pass-Through Amount to Subrecipients
<u>STATE FUNDING:</u>				
<u>TEXAS CRIMINAL JUSTICE DIVISION</u>				
Direct Program:				
<i>Veteran's Court Program</i>	N/A	3023301	43,657	-
<i>Veteran's Court Program</i>	N/A	3023302	1,640	-
TOTAL TEXAS CRIMINAL JUSTICE DIVISION			45,297	-
<u>TEXAS VETERAN'S COMMISSION</u>				
Direct Program:				
<i>Veteran's Court Program- TVC</i>	N/A	VTC_17_0484	19,504	-
TOTAL TEXAS CRIMINAL JUSTICE DIVISION			19,504	-
<u>TEXAS DEPARTMENT OF MOTOR VEHICLES</u>				
Direct Program:				
<i>Motor Vehicle Salvage/Theft Reduction Inspn-23</i>	N/A	608-17-1700000	207,266	136,523
<i>Motor Vehicle Salvage/Theft Reduction Inspn-24</i>	N/A	608-18-1700000	5,409	7,114
TOTAL TEXAS DEPARTMENT OF MOTOR VEHICLES			212,675	143,637
<u>TEXAS DEPARTMENT OF TRANSPORTATION</u>				
Direct Program:				
<i>Routine Airport Maintenance Program</i>	N/A	M1712CONRO	45,516	-
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION			45,516	-
<u>TEXAS COMMISSION ON ENVIRONMENTAL QUALITY</u>				
Direct:				
<i>LIRAP-Local Initiative Project</i>	N/A	582-14-40131	85,499	-
<i>Low Income Repair Assistance Program</i>	N/A	5821220282	1,366,787	-
Passed Through Houston Galveston Area Council:				
<i>FY16 Household Hazardous Waste Management</i>	N/A	16-16-06	370,032	-
<i>FY17 Solid Waste Implementation Program</i>	N/A	17-16-09	16,147	-
TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY			1,838,465	-
<u>TEXAS STATE OFFICE OF THE ATTORNEY GENERAL</u>				
Direct Program:				
<i>SAVNS Maintenance Grant, FY 17</i>	N/A	1771443	25,406	-
TOTAL TEXAS STATE OFFICE OF THE ATTORNEY GENERAL			25,406	-
<u>TEXAS INDIGENT DEFENSE COMMISSION</u>				
Direct Program:				
<i>Indigent Defense Services - Formula Grant</i>	N/A	212-17-170	505,381	-
<i>Indigent Defense Techshare Grant</i>	N/A	212-14-D09	44,718	-
<i>Supplemental Capital Defense Formula Grant</i>	N/A	212-16-170SC	34,983	-
TOTAL TEXAS INDIGENT DEFENSE COMMISSION			585,082	-
<u>TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES</u>				
Direct Program:				
<i>Foster Care Title IV-E - Concrete Services</i>	N/A	24184806	275	-
TOTAL TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES			275	-

The accompanying notes are an integral part of this schedule.

MONTGOMERY COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA # Number	Project Number	Grant Funds Expended	Pass-Through Amount to Subrecipients
<u>TEXAS STATE LIBRARY ARCHIVES</u>				
Direct Program:				
<i>Family Place Libraries Program</i>	N/A	N/A	6,000	-
TOTAL TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES			6,000	-
<u>GENERAL APPROPRIATIONS ACT- "RIDER 97"</u>				
Texas Department of State Health Services:				
<i>Forensic Hospital Services</i>	N/A	2016-048567-001	14,129,564	-
<i>Forensic Hospital Services</i>	N/A	2016-048567-001B	1,093,050	-
Total Texas Department of State Health Services			15,222,614	-
TOTAL GENERAL APPROPRIATIONS ACT- "RIDER 97"			15,222,614	-
<u>HOUSTON-GALVESTON AREA COUNCIL</u>				
Direct Program:				
<i>Regional Juvenile Mental Health Services, FY 17</i>	N/A	N/A	13,995	-
TOTAL HOUSTON-GALVESTON AREA COUNCIL			13,995	-
TOTAL STATE FUNDING			18,014,829	143,637
<u>LOCAL FUNDING:</u>				
<u>THE NRA FOUNDATION</u>				
Direct Program:				
<i>FY 2017 Ammo Purchase</i>	N/A	17TXS063	2,345	-
TOTAL THE NRA FOUNDATION			2,345	-
<u>EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT</u>				
Direct Program:				
<i>Friendship Center Equipment</i>	N/A	N/A	5,000	-
<i>1981 Explorer Boat Motor</i>	N/A	N/A	5,000	-
<i>Inflatable Boat Motor</i>	N/A	N/A	5,000	-
TOTAL EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT			15,000	-
<u>CRIMESTOPPERS</u>				
Direct Program:				
<i>Electronic Detection K9</i>	N/A	N/A	5,334	-
TOTAL CRIMESTOPPERS			5,334	-
<u>PETCO FOUNDATION</u>				
Direct Program:				
<i>Spay/Neuter Program</i>	N/A	N/A	20,487	-
TOTAL PETCO FOUNDATION			20,487	-
TOTAL LOCAL FUNDING			43,166	-
GRAND TOTAL ALL FUNDING			\$ 25,755,488	\$ 684,454

The accompanying notes are an integral part of this schedule.

MONTGOMERY COUNTY, TEXAS

*NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017*

Note 1 – General

The accompanying schedule of expenditures of federal awards presents the activity of all applicable federal and state awards of the Montgomery County, Texas (the County). The County's reporting entity is defined in Note 1 to the County's basic financial statements. Federal and state awards received directly from federal and state agencies as well as federal awards passed through other government agencies are included in this schedule. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance and Texas Uniform Grant Management Standards).

Note 2 – Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in a special revenue fund, a component of the governmental fund type or general fund. 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 resources) and decreases (i.e. expenditures and other financing uses) in fund balance.

The modified accrual basis of accounting is used for the governmental fund types. 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 fund liability is incurred, if measurable. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly when such funds are received, they are recorded as deferred revenues until earned.

The County has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 – Availability of Federal Grant Funds

The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions of the *Compliance Supplement*.

Note 4 – Relationship to Federal and State Financial Reports

Grant expenditures reports as of September 30, 2017, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

MONTGOMERY COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

SECTION I – SUMMARY OF AUDITORS’ RESULTS	
FINANCIAL STATEMENTS	
1. Type of auditors’ report issued	Unmodified
2. Internal Control over Financial Reporting:	
a. Material Weakness(es) identified?	No
b. Significant Deficiency(ies) identified that are not considered to be material weaknesses?	None reported
3. Noncompliance material to Financial Statements noted?	No
FEDERAL AND STATE AWARDS	
4. Internal control over major programs:	
a. Material Weakness(es) identified?	No
b. Significant Deficiency(ies) identified that are not considered to be material weaknesses?	None reported
5. Type of auditors’ report issued on compliance with major programs	Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Uniform Guidance and Texas Uniform Grant Management Standards?	No
7. Identification of Major Federal Programs	14.218 Community Development Block Grant
8. Identification of Major State Programs	Forensic Hospital Services
9. Dollar Threshold used to Distinguish Between Type A and Type B Federal Programs	\$750,000
10. Dollar Threshold used to Distinguish Between Type A and Type B State Programs	\$544,754
11. Auditee Qualified as a Low-Risk Auditee?	Yes
SECTION II –FINANCIAL STATEMENT FINDINGS	
None reported	
SECTION III –FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS	
None reported	

MONTGOMERY COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

PRIOR YEAR FINDINGS

None reported