

Montgomery County, Texas

COMPLIANCE REPORT

FOR THE YEAR ENDED

SEPTEMBER 30, 2012

MONTGOMERY COUNTY, TEXAS

TABLE OF CONTENTS

Page

Schedule of Expenditures of Federal and State Awards.....	1
Notes to the Schedule of Expenditures of Federal and State Awards.....	4
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5
Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Texas Uniform Grant Management Standards	7
Schedule of Findings and Questioned Costs – Federal Programs	9
Schedule of Findings and Questioned Costs – State Programs	11

MONTGOMERY COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA # Number	Project Number	Grant Funds Expended	Pass-Through Amount to Subrecipients
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through State Division of Emergency Management:				
State Homeland Security Program-2010	97.008	2010-SS-T0-0008	\$ 1,490,019	\$ -
State Homeland Security Program-2009	97.008	2009-SS-T9-0064	247,963	-
Total Program 97.008			1,737,982	-
Fire Management Program	97.046	FMAG-2964-FM	34,058	-
State Homeland Security Program-2011	97.067	2011-SS-T0-00019	1,088,198	-
State Homeland Security Program-2010	97.073	2010-SS-T0-0008	220,687	-
State Homeland Security Program-2009	97.073	2009-SS-T9-0064	14,307	-
Total Program 97.073			234,994	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			3,095,232	-
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Texas Health and Human Services Commission:				
Child Nutrition Cluster:				
National School Lunch/Breakfast Program	10.553	TX 170-2002/75J6006	36,110	-
National School Lunch/Breakfast Program	10.553	CEID: 01340	12,531	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			48,641	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Texas Juvenile Justice Department:				
Foster Care Title IV-E	93.658	TJPC-E-2012-170	3,032	-
Foster Care Title IV-E	93.658	TJJD-E-2013-170	22,712	-
Total Passed Through Texas Juvenile Justice Department			25,744	-
Passed Through Texas Dept of Family and Protective Services:				
Foster Care Title IV-E (ADM)	93.658	23940072	13,059	-
Foster Care Title IV-E (Concrete Services)	93.658	23617441	1,467	-
Foster Care Title IV-E (Concrete Services)	93.658	23617441	299	-
Foster Care Title IV-E	93.658	23940074	50,372	-
Total Passed Through Texas Dept of Family and Protective Services			65,197	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			90,941	-
U.S. DEPARTMENT OF JUSTICE				
Direct:				
JAG Program Cluster:				
Byrne Memorial Justice Assistance Grant	16.738	2011-DJ-BX-2258	79,026	-
Passed Through State Criminal Justice Division:				
Drug Court Discretionary Grant-Byrne Formula	16.738	1604011	172,293	-
Drug Court Discretionary Grant-Byrne Formula	16.738	1604012	27,518	-
Montgomery County Law Enforcement Enhancement	16.738	2335802	33,537	-
DWI Drug Court	16.738	2196103	128,042	-
DWI Drug Court	16.738	2196104	12,555	-
Total JAG Program Cluster			452,971	-
Power Recovery Court-Juvenile Drug Court	16.523	1947505	102,915	-
Power Recovery Court-Juvenile Drug Court	16.523	1947506	9,996	-
Family Reunification Project	16.523	2444601	25,047	-
Family Reunification Project	16.523	2444602	3,429	-
Total Program 16.523			141,387	-
Victim Liaison Staff Expansion Project for FY 12	16.575	2462801	31,850	-
Domestic Violence Prosecutor	16.588	2485601	53,346	-
Domestic Violence Prosecutor	16.588	2485602	4,379	-
Total Program 16.588			57,725	-
Total Passed Through State Criminal Justice Division			604,907	-

MONTGOMERY COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA # Number	Project Number	Grant Funds Expended	Pass-Through Amount to Subrecipients
Direct:				
State Criminal Alien Assistance Program	16.606	2011-H305-TX-AP	126,619	-
TOTAL U.S. DEPARTMENT OF JUSTICE			810,552	-
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Passed Through TX Department of Transportation:				
Runway 14-32 Extension	20.106	1012CONRO	35,075	-
ARRA FM2978-Spring Creek to FM 1488	20.205	3050-02-016	87,870	-
Highway Safety Cluster:				
STEP-Impaired Driving Mobilization	20.601	2012-MontgoSO-IDM-0006	8,371	-
Alcohol Traffic Safety & Drunk Driving Prevention Incentive	20.601	2012-MCDAO-G-1 YG-0055	96,765	-
Total Highway Safety Cluster			105,136	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			228,081	-
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Direct:				
CDBG - Entitlement Grants Cluster:				
ARRA HPRP-Homelessness Prevention/Rapid Re-housing	14.218	S09-UY-48-0400	149,478	-
Community Development Block Grant	14.218	B-06-UC-48-0006	17,616	-
Community Development Block Grant	14.218	B-07-UC-48-0006	25,184	-
Community Development Block Grant	14.218	B-08-UC-48-0006	159,765	-
Community Development Block Grant	14.218	B-09-UC-48-0006	206,469	-
Community Development Block Grant	14.218	B-10-UC-48-0006	341,757	-
Community Development Block Grant	14.218	B-11-UC-48-0006	423,536	236,601
ARRA CDBG-R Recovery	14.218	B09-UY-48-0006	4,057	-
Hurricane Ike-Disaster Recovery	14.218	70090005	4,150,344	-
Total CDBG - Entitlement Grants Cluster			5,478,206	236,601
Emergency Shelter Grants Program (ESGP)	14.231	S-41-UC-48-0006	720	53,064
Emergency Shelter Grants Program (ESGP)	14.231	E-11-UC-48-0006	579	20,745
Total Program 14.231			1,299	73,809
Home Program	14.239	M-08-UC-48-0235	18,367	-
Home Program	14.239	M-09-UC-48-0235	83,113	-
Home Program	14.239	M-10-UC-48-0235	149,972	-
Home Program	14.239	M-11-UC-48-0235	53,868	328,009
Total Program 14.239			305,320	328,009
Total Direct			5,784,825	638,419
Passed Through the General Land Office:				
CDBG - State - Administered CDBG Cluster:				
CDBG Disaster Recovery Entitlement Grant	14.228	DRS010119	359,358	-
CDBG Disaster Recovery - Housing Round 2	14.228	12-475-000-6640	15,691	-
CDBG Disaster Recovery - Housing Round 2	14.228	12-469-000-6633	2,953	-
Total CDBG - State - Administered CDBG Cluster			378,002	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			6,162,827	638,419
<u>U.S. DEPARTMENT OF ENERGY</u>				
Direct:				
ARRA Energy Efficiency and Block Grant	81.128	DE-EE0000911	840,805	-
TOTAL U.S. DEPARTMENT OF ENERGY			840,805	-
<u>OFFICE OF NATIONAL DRUG CONTROL</u>				
Direct:				
High Intensity Drug Trafficking Areas	95.001	G11HN0017A	17,549	-
High Intensity Drug Trafficking Areas	95.001	G12HN0017A	5,776	-
TOTAL OFFICE OF NATIONAL DRUG CONTROL			23,325	-
TOTAL FEDERAL FUNDING			11,300,404	638,419

MONTGOMERY COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA # Number	Project Number	Grant Funds Expended	Pass-Through Amount to Subrecipients
STATE FUNDING:				
Texas Department of Motor Vehicles:				
Motor Vehicle Salvage/Theft Reduction Inspn-18	N/A	SA-T01-10059-12	353,863	-
Motor Vehicle Salvage/Theft Reduction Inspn-19	N/A	SA-T01-10059-13	32,029	-
Total Texas Department of Motor Vehicles			<u>385,892</u>	<u>-</u>
Texas Department of Transportation:				
Routine Airport Maintenance Program	N/A	M212CONRO	48,968	-
Texas Commission on Environmental Quality:				
Passed Through Houston Galveston Area Council:				
LIRAP-Local Initiative Project	N/A	582889963	54,600	-
Low Income Repair Assistance Program	N/A	5821220282	179,107	-
Total Texas Commission on Environmental Quality			<u>233,707</u>	<u>-</u>
Texas Juvenile Justice Department:				
State Financial Assistance Contract	N/A	TJPC-A-2012-170	1,483,862	-
State Financial Assistance Contract	N/A	TJJD-A-2013-170	99,231	-
State Financial Assistance Contract	N/A	TJPC-P-2012-170	402,390	-
State Financial Assistance Contract	N/A	TJJD-P-2013-170	27,374	-
State Financial Assistance Contract	N/A	TJPC-C-2012-170	241,507	-
State Financial Assistance Contract	N/A	TJJD-C-2013-170	3,713	-
Total Texas Juvenile Justice Department			<u>2,258,077</u>	<u>-</u>
Texas State Office of the Attorney General:				
State Automated Victim Notification Systems (SAVNS) Maintenance Grant	N/A	1224930	30,710	-
State Automated Victim Notification Systems (SAVNS) Maintenance Grant	N/A	1337286	2,431	-
Total Texas State Office of the Attorney General:			<u>33,141</u>	<u>-</u>
Texas Parks & Wildlife:				
Spring Creek Greenway Phase II	N/A	50-000400	1,500,000	750,000
Texas Commissions on the Arts:				
Arts Respond Performance Support	N/A	51118	214	-
Arts Respond Performance Support	N/A	53963	235	-
Arts Respond Performance Support	N/A	53961	652	-
Arts Respond Performance Support	N/A	53965	300	-
Total Texas Commissions on the Arts			<u>1,401</u>	<u>-</u>
Texas Indigent Defense Commission:				
Indigent Defense Services - Formula Grant	N/A	TFID 212-12-170	435,077	-
Montgomery County Managed Assigned Counsel Program				
Discretionary Grant	N/A	TFID 212-12-D04	311,677	-
Total Texas Indigent Defense Commission			<u>746,754</u>	<u>-</u>
The NRA Foundation:				
Less Lethal Riot Squad Project	N/A	11STX29	146	-
General Appropriations Act - "Rider 97":				
Department of State Health Services:				
Forensic Hospital Services	N/A	2012-039639	14,902,352	-
East Montgomery County Improvement District:				
Mobile Printers and Tactical Vests	N/A	N/A	17,151	-
EMCID - Camera/Radio Grant	N/A	N/A	25,883	-
Total East Montgomery County Improvement District			<u>43,034</u>	<u>-</u>
TOTAL STATE FUNDING			<u>20,153,472</u>	<u>750,000</u>
GRAND TOTAL ALL FUNDING			<u>\$ 31,453,876</u>	<u>\$ 1,388,419</u>

See accompanying notes to schedule of expenditures of federal and state awards.

MONTGOMERY COUNTY, TEXAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2012

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Montgomery County, Texas. 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 and state grant funds were accounted for in special revenue funds, capital project funds, (components of the governmental fund type), or the 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 net current assets.

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 and state 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.

Note 2. Availability of Federal and State Grant Funds

The period of availability for federal and state grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal or state project period extended 90 days beyond the federal or state project period ending date, in accordance with provisions in Section H. Period of Availability of Federal Funds, Part 3 OMB Circular A-133 Compliance Supplement-March 2013 and Texas Uniform Grant Management Standards.

HLSK

Hereford, Lynch, Sellars & Kirkham

Certified Public Accountants • A Professional Corporation

Conroe
1406 Wilson Rd., Suite 100
Conroe, Texas 77304
Tel 936-756-8127
Metro 936-441-1338
Fax 936-756-8132

Members of the
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Private Companies Practice Section
of the AICPA Division for Firms

Cleveland
111 East Boothe
Cleveland, Texas 77327
Tel 281-592-6443
Fax 281-592-7706

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
Commissioners' Court
Montgomery County, Texas

The Honorable County Judge and Commissioners' Court:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County, Texas (County), as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 25, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Respectfully submitted,

Hereford, Lynch, Sellars & Kirkham, P.C.

HEREFORD, LYNCH, SELLARS & KIRKHAM, P.C.
Certified Public Accountants

Conroe, Texas
March 25, 2013

HLSK

Hereford, Lynch, Sellars & Kirkham

Certified Public Accountants • A Professional Corporation

Conroe
1406 Wilson Rd., Suite 100
Conroe, Texas 77304
Tel 936-756-8127
Metro 936-441-1338
Fax 936-756-8132

Members of the
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Private Companies Practice Section
of the AICPA Division for Firms

Cleveland
111 East Boothe
Cleveland, Texas 77327
Tel 281-592-6443
Fax 281-592-7706

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

To the Honorable County Judge and
Commissioners' Court
Montgomery County, Texas

The Honorable County Judge and Commissioners' Court:

Compliance

We have audited Montgomery County, Texas' (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and *Texas Uniform Grant Management Standards* 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, 2012. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and *Texas Uniform Grant Management Standards*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2012.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and 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.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County, Texas as of and for the year ended September 30, 2012, and have issued our report thereon dated March 25, 2013, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Texas Uniform Grant Management Standards, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

Respectfully submitted,

Hereford, Lynch, Sellars & Kirkham, P.C.

HEREFORD, LYNCH, SELLARS & KIRKHAM, P.C.
Certified Public Accountants

Conroe, Texas
May 15, 2013

MONTGOMERY COUNTY, TEXAS**SCHEDULE OF FINDINGS AND QUESTIONED COSTS—FEDERAL PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on the financial statements:	Unqualified
--	-------------

Internal control over financial reporting:	
--	--

Material weakness(es) identified?	No
-----------------------------------	----

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

Noncompliance material to the financial statements noted?	No
---	----

Federal Awards

Internal control over major programs:	
---------------------------------------	--

Material weakness(es) identified?	No
-----------------------------------	----

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

Type of auditor’s report issued on compliance for major programs:	Unqualified
---	-------------

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

Identification of major federal programs:	
---	--

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	CDBG - Entitlement Grants Cluster
	CDBG - State - Administered CDBG Cluster
	JAG Program Cluster
81.128	Energy Efficiency Block Grant
97.067	Homeland Security Grant Program 2011

Dollar threshold used to distinguish between type A and type B federal programs	\$358,165
---	-----------

Auditee qualified as low-risk auditee?	No
--	----

MONTGOMERY COUNTY, TEXAS

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS –FEDERAL PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2012*

SECTION II – FINANCIAL STATEMENT FINDINGS

Current Year:

None noted.

Prior Year:

None noted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Current Year:

None noted.

Prior Year:

None noted.

CORRECTIVE ACTION PLAN

Current Year:

None noted.

Prior Year:

None noted.

MONTGOMERY COUNTY, TEXAS*SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2012*

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on the financial statements:	Unqualified
--	-------------

Internal control over financial reporting:	
--	--

Material weakness(es) identified?	No
-----------------------------------	----

Reportable condition(s) identified that are not considered to be material weakness(es)?	No
---	----

Noncompliance material to the financial statements noted?	No
---	----

State Awards

Internal control over major programs:	
---------------------------------------	--

Material weakness(es) identified?	No
-----------------------------------	----

Reportable condition(s) identified that are not considered to be material weakness(es)?	No
---	----

Type of auditor's report issued on compliance for major programs:	Unqualified
---	-------------

Any audit findings disclosed that are required to be reported in accordance with Texas Uniform Grant Management Standards?	No
--	----

Identification of major state programs:	
---	--

<u>CFDA Number(s)</u>	<u>Name of State Program or Cluster</u>
N/A	TIDC Indigent Defense and Assigned Counsel Program
N/A	Forensic Hospital Services

Dollar threshold used to distinguish between type A and type B state programs	\$627,104
---	-----------

Auditee qualified as low-risk auditee?	No
--	----

MONTGOMERY COUNTY, TEXAS

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2012*

SECTION II – FINANCIAL STATEMENT FINDINGS

Current Year:

None noted.

Prior Year:

None noted.

SECTION III – STATE AWARD FINDINGS AND QUESTIONED COSTS

Current Year:

None noted.

Prior Year:

None noted.

CORRECTIVE ACTION PLAN

Current Year:

None noted.

Prior Year:

None noted.