

**FORT BEND  
INDEPENDENT SCHOOL DISTRICT**

**SINGLE AUDIT REPORT**

**For The Fiscal Year Ended  
June 30, 2017**



# **FORT BEND INDEPENDENT SCHOOL DISTRICT**

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**REPORT OF INDEPENDENT AUDITORS 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 Board of Trustees  
Fort Bend Independent School District  
Sugar Land, Texas

We have audited, in accordance with the 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, business-type activities, each major fund, and the aggregate remaining fund information of Fort Bend Independent School District (the “District”), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated October 24, 2017.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District’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 District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’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 entity’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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Trustees  
Fort Bend Independent School District

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District'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*.

***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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Whitley Penn LLP*

Houston, Texas  
October 24, 2017

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees  
Fort Bend Independent School District  
Sugar Land, Texas

***Report on Compliance for Each Major Federal Program***

We have audited Fort Bend Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District'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 program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Federal Program***

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

***Report on Internal Control Over Compliance***

Management of the District 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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 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 have not been identified.

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. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

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 District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 24, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion 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 the Uniform Guidance 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



To the Board of Trustees  
Fort Bend Independent School District

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 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 basic financial statements as a whole.

*Whitley Penn LLP*

Houston, Texas  
October 24, 2017

**FORT BEND INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended June 30, 2017*

**I. Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to the financial statements noted?	No

**Federal Awards**

Internal controls over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)	No

**Identification of Major Programs:**

<b>Name of Federal Program</b>	<b>CFDA Number</b>
<b>Title I Part A Cluster</b>	
ESEA, Title I Part A – Improving Basic Programs	84.010A
Title I – Priority and Focus School	84.010A
<b>Title III, Part A, English Language Acquisition and Language Enhancement</b>	84.365A
Dollar threshold used to distinguish between Type A and Type B Federal Programs:	\$1,162,597
Auditee qualified as low-risk auditee?	Yes

**FORT BEND INDEPENDENT SCHOOL DISTRICT FORT BEND INDEPENDENT  
SCHOOL DISTRICT**

***SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)***

***For the Year Ended June 30, 2017***

**II. Financial Statement Findings**

None noted

**III. Federal Awards Findings and Questioned Costs**

None noted

**FORT BEND INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2017**

**Exhibit K-1**  
**Page 1 of 2**

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2a) Pass-Through Entity Identifying Number	(3) Federal Expenditures
<b>U.S. Department of Education:</b>				
<b>Passed Through Texas Education Agency:</b>				
<b>Title I, Part A</b>				
211	ESEA, Title I, Part A - Improving Basic Programs	84.010A	17610101079907	8,254,857
211	ESEA, Title I, Part A - Improving Basic Programs	84.010A	16610101079907	1,298,039
211	Title I - Priority and Focus School	84.010A	17610112079907000	97,545
211	Title I - Priority and Focus School	84.010A	16610112079907000	315
<b>Total Title I, Part A</b>				<b>9,650,756</b>
<b>Special Education Cluster</b>				
224	IDEA - Part B, Formula	84.027A	176600010799076600	9,577,729
224	IDEA - Part B, Formula	84.027A	166600010799076600	1,299,272
225	IDEA - Part B, Preschool	84.173A	176610010799076610	114,602
225	IDEA - Part B, Preschool	84.173A	166610010799076610	20,835
315	IDEA - Part B, Disc (Deaf)	84.027A	17660011079907	137,379
315	IDEA - Part B, Disc (Deaf)	84.027A	166600110799076673	2,317
316	IDEA - Part B, Formula (Deaf)	84.027A	166600010799076601	5,879
<b>Total Special Education Cluster</b>				<b>11,158,013</b>
244	Career and Technical-Basic Grant	84.048A	17420006079907	476,209
244	Career and Technical-Basic Grant	84.048A	16420006079907	46,363
255	ESEA, Title II, Part A,: Teacher and Principal Training and Recruiting	84.367A	17694501079907	895,696
255	ESEA, Title II, Part A,: Teacher and Principal Training and Recruiting	84.367A	16694501079907	251,152
263	Title III, Part A, English Language Acquisition and Language Enhancement	84.365A	17671001079907	911,019
263	Title III, Part A, English Language Acquisition and Language Enhancement	84.365A	16671001079907	92,678
263	Title III, Part A, Immigrant	84.365A	17671003079907	132,335
263	Title III, Part A, Immigrant	84.365A	16671003079907	53,910
288	Title VI, Part A, Summer School LEP	84.369A	69551602	53,586
340	IDEA C Early Intervention (Deaf)	84.181A	173911010799073911	4,191
340	IDEA C Early Intervention (Deaf)	84.181A	163911010799073911	348
<b>Total Passed Through Texas Education Agency</b>				<b>\$ 23,726,256</b>
<b>Passed Through University of Texas</b>				
273	Mathematics and Science Partnership	84.366B	166944047110001	\$ 61,154
<b>Total Passed Through University of Texas</b>				<b>61,154</b>
<b>Passed Through Ohio State and Texas Women's Universities:</b>				
289	Investing In Innovation (i3) Grant	84.396A	60029194	3,790
289	Investing In Innovation (i3) Grant	84.396A	60029194	5,754
<b>Total Passed Through Ohio State and Texas Women's Universities</b>				<b>9,544</b>
<b>Total U.S. Department of Education</b>				<b>23,796,954</b>

**FORT BEND INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
For the Year Ended June 30, 2017

**Exhibit K-1**  
**Page 2 of 2**

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2a) Pass-Through Entity Identifying Number	(3) Federal Expenditures
	<b><u>U.S. Department of Agriculture</u></b>			
	<b>Passed Through the Texas Department of Agriculture:</b>			
	Cash assistance:			
240	Child and Adult Care Food Program	10.558	551	139,101
	<b>Total Passed Through Texas Department of Agriculture</b>			<u>139,101</u>
	<b>Child Nutrition Cluster</b>			
	<b>Passed Through the Texas Department of Agriculture:</b>			
240	Non-cash assistance (commodities):			
	National School Lunch Program	10.555	551	1,703,813
	Cash assistance:			
242	Summer Feeding Program	10.559	551	31,036
	<b>Total Passed Through Texas Department of Agriculture</b>			<u>1,734,849</u>
	<b>Passed Through Texas Education Agency:</b>			
	Cash assistance:			
240	National School Breakfast Program	10.553	71401701	2,174,980
240	National School Lunch Program	10.555	71301701	10,668,596
	<b>Total Passed Through Texas Education Agency</b>			<u>12,843,576</u>
	<b>Total Child Nutrition Cluster</b>			<u>14,578,425</u>
	<b>Total U. S. Department of Agriculture</b>			<u>14,717,526</u>
	<b><u>U.S. Department of Health and Human Services</u></b>			
	<b>Passed Through Texas Health and Human Services Commission:</b>			
272	Medicaid Administrative Claiming Program (MAC)	93.778	079-907	238,757
	<b>Total Passed Through Texas Health and Human Services Commission</b>			<u>238,757</u>
	<b>Total U. S. Department of Health and Human Services</b>			<u>238,757</u>
	<b>Total Expenditures of Federal Awards</b>			<u>\$ 38,753,237</u>

**FORT BEND INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2017**

**Note 1 - Basis of Accounting**

The District accounts for all awards under federal programs in the General and Certain Special Revenue Funds in accordance with the Texas Education Agency's *Financial Accountability System Resource Guide*. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through entity identifying numbers are presented where available.

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 unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods. The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 2 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

**Note 3 - Reconciliation to Basic Financial Statements**

The following is a reconciliation of expenditures of federal awards per Exhibit K-1 and federal revenues reported on Exhibit C-3 of the District's Comprehensive Annual Financial Report:

Total Expenditures of Federal Awards on Exhibit K-1	\$ 38,753,237
School Health and Related Services (SHARS)	7,768,204
Reserve Officers' Training Corps (ROTC)	707,766
E-Rate	2,515,140
Federal Revenues Reported on Exhibit C-3	<u>\$ 49,744,347</u>

**FORT BEND INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*For the Year Ended June 30, 2017*

**Note 4 - General Fund Expenditures**

Federal awards reported in the general fund are summarized as follows:

<b>Program or Source</b>	<b>CFDA Number</b>	<b>Amount</b>
SHARS	N/A	\$ 7,768,204
Reserve Officers' Training Corps	12.000	707,766
E-Rate		298,104
Indirect Costs:		
ESEA Title I, Part A, Improving Basic Programs	84.010A	201,384
IDEA-B, Formula	84.027A	195,388
Career and Technical - Basic Grant	84.048A	10,015
ESEA Title II, Part A, Teacher & Principal Training & Recruiting	84.367A	21,940
Title III, Part A, English Language Acquisition and Language Enhancement	84.365A	24,047
Mathematics and Science Partnership	84.366B	140
<b>Total</b>		<u><u>\$ 9,226,988</u></u>

# **FORT BEND INDEPENDENT SCHOOL DISTRICT**

## ***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS***

***For the Year Ended June 30, 2017***

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, “The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings.” The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit’s schedule of findings and questioned costs and
- All audit findings reported in the prior audit’s summary schedule of prior audit findings except audit findings listed as corrected.

The Summary Schedule of Prior Audit Findings for the year ended June 30, 2017 has been prepared to address these requirements.

### **I. Prior Audit Findings**

None Noted



# **FORT BEND INDEPENDENT SCHOOL DISTRICT**

## ***CORRECTIVE ACTION PLAN***

***For the Year Ended June 30, 2017***

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, “At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports.”

The Corrective Action Plan for the year ended June 30, 2017 has been prepared to address these requirements.

### **I. Corrective Action Plan**

Not Applicable