

**FORT BEND
INDEPENDENT SCHOOL DISTRICT**

FEDERAL SINGLE AUDIT REPORT

**For the Year Ended
June 30, 2023**

FORT BEND INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
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 <i>Government Auditing Standards</i>	1	
Independent Auditor's Report 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	3	
Schedule of Findings and Questioned Costs	6	
Schedule of Expenditures of Federal Awards	8	K-1
Notes to Schedule of Expenditures of Federal Awards	10	K-2
Summary Schedule of Prior Audit Findings	12	
Corrective Action Plan	13	

**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 Board of Trustees
Fort Bend Independent School District

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 13, 2023.

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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

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 financial statements. 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 Board of Trustees
Fort Bend Independent School District

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
November 13, 2023

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR 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

Report on Compliance for Each Major Federal Program

Opinion On Each Major 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, 2023. 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.

In our opinion, the District’s 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, 2023.

Basis for Opinion On Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Example Entity's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

To the Board of Trustees
Fort Bend Independent School District

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 13, 2023, 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 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 basic 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 awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
November 13, 2023

FORT BEND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

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 financial statements noted?	No

Federal Awards

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

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	84.010A
<i>Title I - School Improvement</i>	84.010A
<i>COVID-19 - Texas COVID Learning Acceleration Supports (ESSER III)</i>	84.425U
<i>COVID-19 - ARP Homeless I-TECHY Supplemental</i>	84.425W
<i>COVID-19 - ARP Homeless II</i>	84.425W
<i>COVID-19 - Elementary and Secondary School Emergency Relief II (ESSER II)</i>	84.425D
<i>COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER III)</i>	84.425U
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$3,000,000
Auditee qualified as low risk auditee?	Yes

FORT BEND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended June 30, 2023

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, 2023

Exhibit K-1

Page 1 of 2

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number	(2a) Pass-Through Entity Identifying Number	(3) Federal Expenditures
U.S. Department of Education				
Passed Through Texas Education Agency:				
211	ESEA, Title I, Part A - Improving Basic Programs 2021-2022	84.010A	22610101079907	\$ 2,350,950
211	ESEA, Title I, Part A - Improving Basic Programs 2022-2023	84.010A	23610101079907	12,733,821
211	Title I - School Improvement 2021-2022	84.010A	22610141079907	2,506
211	Title I - School Improvement -2022-2023	84.010A	23610141079907	11,522
	Total ALN 84.010			<u>15,098,799</u>
224	IDEA - Part B, Formula	84.027A	226600010799076600	1,464,001
224	IDEA - Part B, Formula	84.027A	236600010799076600	9,994,167
225	IDEA - Part B, Preschool	84.027A	226610010799076610	10,073
225	IDEA - Part B, Preschool	84.173A	236610010799076610	87,232
226	IDEA-B Disc Residential	84.173A	66002212	11,096
226	High Cost Fund 2021-2022	84.027A	66002206	2,129
226	High Cost Fund 2022-2023	84.027A	66002306	824,219
284	COVID-19 - IDEA B Formula ARP 2021-2022	84.027X	225350010799075350	929,185
284	COVID-19 - IDEA B Formula ARP 2022-2023	84.027X	225350020799075350	617,056
285	COVID-19 - IDEA B Preschool ARP 2021-2022	84.173X	225360010799075360	7,849
315	IDEA - Part B, Disc (Deaf)	84.027A	226600110799076673	23,004
315	IDEA - Part B, Disc (Deaf)	84.027A	236600110799076673	196,539
	Total Special Education Cluster (ALN 84.027, 84.173)			<u>14,166,550</u>
206	Texas Education for Homeless Children and Youth	84.196A	224600057110033	5,218
206	Texas Education for Homeless Children and Youth	84.196A	234600057110029	116,062
	Total ALN 84.196			<u>121,280</u>
244	Perkins V: Strengthening CTE For 21st Century	84.048A	22420006079907	117,974
244	Career and Technical-Basic Grant	84.048A	23420006079907	715,967
	Total ALN 84.048			<u>833,941</u>
255	ESEA, Title II, Part A, Supporting Effective Instruction	84.367A	22694501079907	337,530
255	ESEA, Title II, Part A, Supporting Effective Instruction	84.367A	23694501079907	1,227,418
	Total ALN 84.367			<u>1,564,948</u>
263	Title III, Part A, English Language Acquisition and Language Enhancement	84.365A	22671001079907	237,884
263	Title III, Part A, English Language Acquisition and Language Enhancement	84.365A	23671001079907	1,215,151
263	Title III, Part A, English Language Acquisition and Language Enhancement	84.365A	22671003079907	9,251
	Total ALN 84.365			<u>1,462,286</u>
288	Title VI, Part A, Summer School LEP	84.369A	69552202	53,236
288	Title VI, Part A, Summer School LEP	84.369A	69552102	41,418
	Total ALN 84.369			<u>94,654</u>
279	COVID-19 - Texas COVID Learning Acceleration Supports (ESSER III)	84.425U	21528042079907	148,184
278	COVID-19 - ARP Homeless I-TECHY Supplemental	84.425W	215330017110029	66,610
280	COVID-19 - ARP Homeless II	84.425W	21533002079907	186,844
281	COVID-19 - Elementary and Secondary School Emergency Relief II (ESSER II)	84.425D	21521001079907	6,084,578
282	COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER III)	84.425U	21528001079907	35,648,719
	Total ALN 84.425			<u>42,134,935</u>
289	Title IV, Part A	84.424A	22680101079907	306,378
289	Title IV, Part A	84.424A	23680101079907	583,872
	Total ALN 84.424			<u>890,250</u>
340	IDEA C Early Intervention (Deaf)	84.181A	223911010799073911	867
340	IDEA C Early Intervention (Deaf)	84.181A	233911010799073911	807
	Total ALN 84.181			<u>1,674</u>
Total U.S. Department of Education				<u>76,369,317</u>

FORT BEND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Exhibit K-1
Page 2 of 2

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number	(2a) Pass-Through Entity Identifying Number	(3) Federal Expenditures
	U.S. Department of Agriculture			
	Passed Through Texas Education Agency:			
	Cash assistance:			
240	School Breakfast Program	10.553	71402301	4,724,235
240	National School Lunch Program	10.555	71302301	22,459,967
	Passed Through Texas Department of Agriculture:			
	Non-cash assistance (commodities):			
240	National School Lunch Program	10.555	806780706	2,189,887
	Cash assistance:			
240	TDA Supply Chain Assistance Grant	10.555	6TX300400	1,129,173
240	Child Nutrition Emergency Operational Cost Reimbursement Program	10.555	216TX001H1703	1,883,218
	Total Child Nutrition Cluster (ALN 10.553, 10.555)			32,386,480
240	Child and Adult Care Food Program	10.558	551	558,029
240	Child Nutrition Equipment Grant	10.579	6TX300355	14,290
	Total U. S. Department of Agriculture			32,958,799
	U.S. Department of Justice			
	Passed Through Office of Governor, Criminal Justice Division:			
288	Campus Victim Assistance Program K-12	16.575	3794103	66,391
288	Campus Victim Assistance Program K-12	16.575	3794102	360,650
	Total ALN 16.575			427,041
	Total U. S. Department of Justice			427,041
	U.S. Department of Health and Human Services			
	Passed Through Texas Health and Human Services Commission:			
272	Medicaid Administrative Claiming Program (MAC)	93.778	HHS000537900266	456,715
	Total Medicaid Cluster (ALN 93.778)			456,715
	Passed Through U.S. Health Resources and Services Administration:			
289	COVID 19 - Provider Relief Fund - Round 4	93.498	079-907	163,523
	Total U. S. Department of Health and Human Services			620,238
	U.S. Department of Homeland Security			
	Passed Through Texas Department of Emergency Management:			
199	Disaster Grants Public Assistance (Presidentially Declared Disasters)	97.036	DR-4332	445,251
	Total U.S. Department of Homeland Security			445,251
	Total Expenditures of Federal Awards			\$ 110,820,646

FORT BEND INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Exhibit K-1

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, 2023. 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 Annual Comprehensive Financial Report:

Total Expenditures of Federal Awards on Exhibit K-1	\$ 110,820,646
School Health and Related Services (SHARS)	8,989,739
Reserve Officers' Training Corps (ROTC)	914,665
E-Rate	162,866
Federal Revenues Reported on Exhibit C-3	<u><u>\$ 120,887,915</u></u>

FORT BEND INDEPENDENT SCHOOL DISTRICT**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)****For the Year Ended June 30, 2023****Note 4 - General Fund Expenditures**

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

Program or Source	Federal ALN	Amount
SHARS	N/A	\$ 8,989,739
Reserve Officers' Training Corps	12.000	914,665
E-Rate	N/A	162,866
FEMA - Hurricane Harvey	97.036	445,251
Indirect Costs:		
ESEA Title I, Part A, Improving Basic Programs	84.010A	634,161
Title I - School Improvement	84.010A	276
IDEA - Part B, Formula	84.027A	517,287
COVID 19 - IDEA B, Formula ARP 2021-2022	84.027X	70,861
IDEA - Part B, Preschool	84.173A	4,320
COVID 19 - IDEA B, Preschool ARP 2021-2022	84.173X	2,970
Texas Education for Homeless Children and Youth	84.196A	8,288
Career and Technical - Basic Grant	84.048A	12,139
ESEA, Title II, Part A: Supporting Effective Instruction	84.367A	69,602
Title III, Part A, English Language Acquisition and Language Enhancement	84.365A	48,162
COVID-19 - Texas COVID Learning Acceleration Supports (ESSER III)	84.425U	3,000
COVID-19 - ARP Homeless I-TECHY Supplemental	84.425W	2,787
COVID-19 - ARP Homeless II	84.425W	5,216
COVID-19 - Elementary and Secondary School Emergency Relief II (ESSER II)	84.425D	630,028
COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER III)	84.425U	3,605,331
Title IV, Part A	84.424A	36,138
Total		\$ 16,163,086

FORT BEND INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2023

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.

I. Prior Audit Findings

None reported

FORT BEND INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2023

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."

I. Corrective Action Plan

Not Applicable