

**Cypress-Fairbanks  
Independent School District**

Federal Single Audit Report  
For the Fiscal Year Ended June 30, 2023



**Cypress-Fairbanks Independent School District**  
Federal Single Audit Report  
For the Fiscal Year Ended June 30, 2023  
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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**

The Board of Trustees of  
Cypress-Fairbanks Independent School District

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 Cypress-Fairbanks Independent School District as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Cypress-Fairbanks Independent School District's basic financial statements, and have issued our report thereon dated October 25, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cypress-Fairbanks Independent School 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 Cypress-Fairbanks Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Cypress-Fairbanks Independent School 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.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cypress-Fairbanks Independent School 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*.

The Board of Trustees of  
Cypress-Fairbanks 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.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas  
October 25, 2023



## **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance**

The Board of Trustees of  
Cypress-Fairbanks Independent School District

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

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

We have audited Cypress-Fairbanks Independent School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Cypress-Fairbanks Independent School District's major federal programs for the fiscal year ended June 30, 2023. Cypress-Fairbanks Independent School 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, Cypress-Fairbanks Independent School 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 fiscal 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 Cypress-Fairbanks Independent School 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 Cypress-Fairbanks Independent School 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 Cypress-Fairbanks Independent School 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 Cypress-Fairbanks Independent School 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 Cypress-Fairbanks Independent School District'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 Cypress-Fairbanks Independent School 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 Cypress-Fairbanks Independent School 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 Cypress-Fairbanks Independent School 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.

The Board of Trustees of  
Cypress-Fairbanks Independent School District

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.

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 October 25, 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.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas  
October 25, 2023

**Cypress-Fairbanks Independent School District**  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended June 30, 2023

**Exhibit K-1**

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number	(2A) Pass-Through Entity Identifying Number	(3) Total Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through State Department of Education:			
ESSA Title I, Part A-Improving Basic Programs	84.010A	23610101101907	\$ 26,789,123
ESSA Title I, Part A-Improving Basic Programs	84.010A	22610101101907	<u>601,433</u>
Total Assistance Listing Number 84.010A			27,390,556
Special Education Cluster (IDEA):			
IDEA-B Formula	84.027A	226600011019076600	328,042
IDEA-B Formula	84.027A	236600011019076600	17,153,074
IDEA-B Discretionary (Deaf)	84.027A	236600011019076673	141,413
IDEA-B Discretionary (Deaf)	84.027A	226600011019076673	27,416
IDEA-B Formula-ARP	84.027A	225350011019075350	2,899,988
IDEA-B Preschool	84.173A	226610011019076610	192
IDEA-B Preschool	84.173A	236610011019076610	258,340
IDEA-B Preschool ARP	84.173X	225360011019075360	<u>123,021</u>
Total Special Education Cluster (IDEA)			20,931,486
Perkins V: Strengthening CTE for 21st Century	84.048A	23420006101907	1,415,741
Perkins V: Strengthening CTE for 21st Century	84.048A	22420006101907	<u>46,789</u>
Total Assistance Listing Number 84.048A			1,462,530
IDEA-C Early Childhood Intervention	84.181A	233911011019073911	5,651
IDEA-C Early Childhood Intervention	84.181A	223911011019073911	<u>(101)</u>
Total Assistance Listing Number 84.181A			5,550
2021-2022 Texas Education for Homeless Children and Youth	84.196A	224600057110038	3,232
2022-2023 Texas Education for Homeless Children and Youth	84.196A	234600057110018	<u>132,856</u>
Total Assistance Listing Number 84.196A			136,088
Title III, Part A-Immigrant	84.365A	22671003101907	282
Title III, Part A-English Language Acquisition and Language Enhancement	84.365A	22671001101907	(224)
Title III, Part A-English Language Acquisition and Language Enhancement	84.365A	23671001101907	<u>2,121,430</u>
Total Assistance Listing Number 84.365A			2,121,488
ESSA Title II, Part A-Supporting Effective Instruction	84.367A	69452171	1,562
ESSA Title II, Part A-Supporting Effective Instruction	84.367A	22694501101907	1,416,068
ESSA Title II, Part A-Supporting Effective Instruction	84.367A	23694501101907	<u>2,650,046</u>
Total Assistance Listing Number 84.367A			4,067,676
Improving Academic Achievement, Summer School LEP	84.369A	69552102	149,639
Improving Academic Achievement, Summer School LEP	84.369A	69552202	<u>155,314</u>
Total Assistance Listing Number 84.369A			304,953
ESSA Title IV, Part A, Subpart 1	84.424A	23680101101907	2,005,007
ESSA Title IV, Part A, Subpart 1	84.424A	22680101101907	<u>180,790</u>
Total Assistance Listing Number 84.424A			2,185,797
COVID-19 - Education Stabilization Fund (CRRSA ESSER II)	84.425D	21521001101907	21,805,332
COVID-19 - Education Stabilization Fund (ARP ESSER III)	84.425U	21528001101907	64,889,347
COVID-19 - American Rescue Plan - Homeless I - TEHCY Supplemental	84.425W	215330017110018	92,519
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	21533002101907	<u>66,273</u>
Total Assistance Listing Number 84.425			<u>86,853,471</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>\$ 145,459,595</b>

The Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**Cypress-Fairbanks Independent School District**  
Schedule of Expenditures of Federal Awards – Continued  
For the Fiscal Year Ended June 30, 2023

**Exhibit K-1**

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number	(2A) Pass-Through Entity Identifying Number	(3) Total Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
CCDF Cluster:			
Passed Through Neighborhood Centers Inc. - NCI Workforce Solutions:			
Pre-K Extended Day Care	93.596	2822CCMC05	\$ 6,194
Pre-K Extended Day Care	93.596	2823CCMC05	81,965
Total CCDF Cluster			88,159
Medicaid Cluster:			
Passed Through Texas Health and Human Services Commission:			
Medicaid Administrative Claiming Program (MAC)	93.778	HHS000537900111	533,986
Total Medicaid Cluster			533,986
COVID-19 - School Health Support Grant	93.323	39352201101907	68,298
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			690,443
<b>U.S. DEPARTMENT OF DEFENSE</b>			
Direct Program:			
Language Grant Program - StarTalk 2020	12.900	H98230-22-1-0091	71,758
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			71,758
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed through the Houston-Galveston Area Council:			
Highway Planning and Construction - Congestion Mitigation and Air Quality Program	20.205	TDOT.18.0714-32	2,821,013
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			2,821,013
<b>FEDERAL COMMUNICATIONS COMMISSION</b>			
Direct Program:			
COVID-19 - Emergency Connectivity Fund (Federal Communications Commission)	32.009	ECF202101799	5,233,020
<b>TOTAL FEDERAL COMMUNICATIONS COMMISSION</b>			5,233,020
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Child Nutrition Cluster:			
Passed through the Texas Education Agency:			
National School Breakfast Program	10.553	71402201	12,140,884
COVID-19 - National School Breakfast Program	10.553	71402201	74,623
Passed through the Texas Education Agency:			
National School Lunch Program	10.555	806780706	40,964,233
COVID-19 - National School Lunch Program	10.555	806780706	242,556
Passed through Texas Department of Agriculture:			
Supply Chain Assistance	10.555	806780706	4,273,966
Passed through Texas Department of Agriculture - Noncash Assistance (Commodities):			
National School Lunch Program	10.555	806780706	5,536,151
Total National School Lunch Program			51,016,906
Total Child Nutrition Cluster			63,232,413
Passed through Texas Department of Agriculture:			
Child and Adult Care Food Program	10.558	806780706	515,361
P-EBT Local Level Administrative Cost Grant	10.649	806780706	5,950
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			63,753,724
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 218,029,553</b>

The Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

# Cypress-Fairbanks Independent School District

Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2023

## Note 1. Summary of Significant Accounting Policies

The District accounts for all awards under federal programs in the General Fund, Debt Service Fund, 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.

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.

National School Lunch Program non-cash commodities are recorded at their estimated market value at the time of donation.

## Note 2. De Minimis Cost Rate

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

## 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 B-2 of the District's Annual Comprehensive Financial Report:

Total expenditures of federal awards per Exhibit K-1	\$ 218,029,553
Additional federal revenues reported in the general fund, debt service fund, and special revenue fund:	
School Health and Related Services (SHARS)	28,828,717
Child Care Relief Funding	2,395,190
Reserve Officers' Training Corps	577,316
Interest Subsidy on Qualified School Construction Bonds	<u>337,338</u>
<b>Total federal revenues reported on Exhibit B-2</b>	<b><u><u>\$ 250,168,114</u></u></b>

# Cypress-Fairbanks Independent School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2023

## Section 1. Summary of Auditor's 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 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 Uniform Guidance? | No   |
| 7. Identification of Major Programs   | Child Nutrition – 10.553 & 10.555<br>COVID-19 – Elementary and Secondary School Emergency Relief Fund - 84.425 |
| 8. Dollar threshold used to distinguish between Type A and Type B federal programs                    | \$3,000,000  |
| 9. Auditee qualified as a low-risk auditee?   | Yes  |

## Section 2. Financial Statement Findings

None reported

## Section 3. Federal Award Findings and Questioned Costs

None reported

**Cypress-Fairbanks Independent School District**

Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended June 30, 2023

**Prior Year Findings**

None reported