Cypress-Fairbanks Independent School District

Federal Single Audit Report
For the Fiscal Year Ended June 30, 2021

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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, 2021, 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 22, 2021.

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 may exist that have not been identified.

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 22, 2021

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

We have audited Cypress-Fairbanks Independent School District's compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with 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 Cypress-Fairbanks Independent School 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* (CFR) 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 Cypress-Fairbanks Independent School 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 Cypress-Fairbanks Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Cypress-Fairbanks Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2021.

The Board of Trustees of
Cypress-Fairbanks Independent School District

Report on Internal Control over Compliance

Management of Cypress-Fairbanks Independent School 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 Cypress-Fairbanks Independent School 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 Cypress-Fairbanks Independent School 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.

The Board of Trustees of
Cypress-Fairbanks Independent School District

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 Cypress-Fairbanks Independent School District as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Cypress-Fairbanks Independent School District's basic financial statements. We issued our report thereon dated October 22, 2021 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal 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 22, 2021

Cypress-Fairbanks Independent School District

Exhibit K-1

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2021

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number	(2A) Pass-Through Entity Identifying Number	(3) Total Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education:			
ESSA Title I, Part A-Improving Basic Programs	84.010A	20610101101907	$ 4,274,482
ESSA Title I, Part A-Improving Basic Programs	84.010A	21610101101907	20,937,831
Total Assistance Listing Number 84.010A			25,212,313
Special Education Cluster (IDEA):			
IDEA-B Formula	84.027A	206600011019076600	5,615,877
IDEA-B Formula	84.027A	216600011019076600	15,818,554
IDEA-B Discretionary (Deaf)	84.027A	216600111019076673	218,654
IDEA-B Discretionary (Deaf)	84.027A	206600111019076673	24,791
IDEA-B Preschool	84.173A	216610011019076610	220,847
IDEA-B Preschool	84.173A	206610011019076610	17,009
Total Special Education Cluster (IDEA)			21,915,732
Perkins V: Strengthening CTE for 21st Century	84.048A	21420006101907	1,185,766
Carl D. Perkins Career and Technical Basic Grant	84.048A	20420006101907	54,792
Total Assistance Listing Number 84.048A			1,240,558
IDEA-C Early Childhood Intervention	84.181A	213911011019073911	6,485
IDEA-C Early Childhood Intervention	84.181A	203911011019073911	1,334
Total Assistance Listing Number 84.181A			7,819
ESSA Title X, Part C - Texas Education for Homeless Children and Youth	84.196A	204600057110019	71,575
ESSA Title X, Part C - Texas Education for Homeless Children and Youth	84.196A	214600057110019	133,825
Total Assistance Listing Number 84.196A			205,400
Title III, Part A-English Language Acquisition and Language Enhancement	84.365A	20671001101907	415,948
Title III, Part A-English Language Acquisition and Language Enhancement	84.365A	21671001101907	1,150,795
Title III, Part A-Immigrant	84.365A	21671003101907	591,753
Title III, Part A-Immigrant	84.365A	20671003101907	193,145
Total Assistance Listing Number 84.365A			2,351,641
ESSA Title II, Part A-Supporting Effective Instruction	84.367A	69451971	531
ESSA Title II, Part A-Supporting Effective Instruction	84.367A	20694501101907	887,562
ESSA Title II, Part A-Supporting Effective Instruction	84.367A	21694501101907	1,608,509
Total Assistance Listing Number 84.367A			2,496,602
School Improvement Grants - Instructional Continuity	84.377A	17610740101907	118,931
ESSA Title IV, Part A, Subpart 1	84.424A	21680101101907	1,184,019
ESSA Title IV, Part A, Subpart 1	84.424A	20680101101907	557,282
Total Assistance Listing Number 84.424A			1,741,301

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

Cypress-Fairbanks Independent School District

Exhibit K-1

Schedule of Expenditures of Federal Awards – Continued
For the Fiscal Year Ended June 30, 2021

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number	(2A) Pass-Through Entity Identifying Number	(3) Total Federal Expenditures
COVID-19 - Education Stabilization Fund (ESSER Grant)	84.425D	20521001101907	15,086,377
COVID-19 - Education Stabilization Fund (CRRSA ESSER II)	84.425D	21521001101907	16,821,215
COVID-19 - Education Stabilization Fund - PPRP - (CRRSA ESSER II)	84.425D	S425D210042	23,053,292
Total Assistance Listing Number 84.425D			54,960,884
COVID-19 - Education Stabilization Fund (ARP ESSER III)	84.425U	21528001101907	4,705
Total Education Stabilization Fund			54,965,589
TOTAL U.S. DEPARTMENT OF EDUCATION			110,255,886
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
CCDF Cluster:			
Passed Through Neighborhood Centers Inc. - NCI Workforce Solutions:			
Pre-K Extended Day Care	93.596	2820CCMC05	552
Pre-K Extended Day Care	93.596	2819CCMC05	73,877
Total CCDF Cluster			74,429
Medicaid Cluster:			
Passed Through Texas Health and Human Services Commission:			
Medicaid Administrative Claiming Program (MAC)	93.778	529-07-0157-00116	389,769
Total Medicaid Cluster			389,769
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			464,198
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through Texas Department of Public Safety:			
FEMA Hurricane Harvey Reimbursement	97.036	DR-4332	(1,877)
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			(1,877)
U.S. DEPARTMENT OF DEFENSE			
Language Grant Program - StarTalk 2020	12.900	H98230-20-1-0214	47,182
TOTAL U.S. DEPARTMENT OF DEFENSE			47,182
U.S. DEPARTMENT OF TREASURY			
Passed through Texas Division of Emergency Management			
COVID-19 - Coronavirus Relief Fund	21.019	DR-4485	7,047,807
TOTAL U.S. DEPARTMENT OF TREASURY			7,047,807
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster:			
Passed through State Department of Education			
COVID-19 - National School Breakfast Program	10.553	71402101	10,918,869
Passed through State Department of Education			
COVID-19 - National School Lunch Program	10.555	71302101	31,147,520
Passed through Texas Department of Agriculture			
COVID-19 - School Programs Emergency Operational Costs Reimbursement Program	10.555	806780706	4,516,033
Passed through Texas Department of Agriculture - Noncash Assistance (Commodities):			
National School Lunch Program	10.555	806780706	4,590,772
Total National School Lunch Program			40,254,325
Total Child Nutrition Cluster			51,173,194
Passed through Texas Department of Agriculture			
COVID-19 - National School Supper Program	10.558	806780706	164,416
TOTAL U.S. DEPARTMENT OF AGRICULTURE			51,337,610
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 169,150,806

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

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. COVID-19 - Coronavirus Relief Fund

In March of 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law by the President and established the Coronavirus Relief Fund (CRF) (Assistance Listing 21.019). The CARES Act requires that payments from the CRF be used to cover expenses that: (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019; (2) were not accounted for in the budget most recently approved as of March 27, 2020 for the State or government; and (3) were incurred during the period that begins on March 1, 2020, and ends on May 20, 2020. As of June 30, 2021, $7,047,807 of eligible expenditures were incurred in the prior year and are included in the schedule of expenditures of federal awards.

Note 4. 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 Comprehensive Annual Financial Report:

Total expenditures of federal awards per Exhibit K-1	$ 169,150,806
Additional federal revenues reported in the general fund, debt service fund, and special revenue fund:	
School Health and Related Services (SHARS)	19,709,113
COVID-19 - Provider Relief Fund [1]	742,474
Reserve Officers' Training Corps	539,588
Interest subsidy on Qualified School Construction Bonds	507,676
Total federal revenues reported on Exhibit B-2	$ 190,649,657

[1] Receipt of the Provider Relief Fund to be reported on the Schedule of Expenditures of Federal Awards in fiscal year 2022 per guidance from the Department of Health and Human Services.

Cypress-Fairbanks Independent School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

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 Cluster - 10.553 & 10.555 ESSA Title I, Part A-Improving Basic Programs - 84.010A COVID-19 – Elementary and Secondary - School Emergency Relief Fund - 84.425D COVID-19 – American Rescue Plan – Elementary and Secondary - School Emergency Relief - 84.425U COVID-19 – Coronavirus Relief Fund - 21.019
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, 2021

Prior Year Findings

None reported