

**LAMAR CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT**

SINGLE AUDIT REPORT

**For the Year Ended
August 31, 2022**

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

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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***

To the Board of Trustees
Lamar Consolidated Independent School District
Rosenberg, 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, each major fund, and the aggregate remaining fund information of Lamar Consolidated Independent School District, (the “District”) as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated January 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 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.

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
Lamar Consolidated 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.

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

Houston, Texas
January 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
Lamar Consolidated Independent School District
Rosenberg, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Lamar Consolidated 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 August 31, 2022. 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 August 31, 2022.

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 the 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 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. 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.

To the Board of Trustees
Lamar Consolidated Independent School District

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, each major fund, and the aggregate remaining fund information of the District as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 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.



Houston, Texas
January 13, 2023

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended August 31, 2022

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) ?	None

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
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U.S. Department of Agriculture

<i>Child Nutrition Cluster</i>	10.553, 10.555
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U.S. Department of Education

<i>Elementary and Secondary School Emergency Relief I (ESSER I) Grant (COVID-19)</i>	84.425D
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<i>CRRSA ESSER II (COVID-19)</i>	84.425D
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<i>ARP ESSER III (COVID-19)</i>	84.425U
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<i>TCLAS ESSER III (COVID-19)</i>	84.425U
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<i>ARP Homeless I - TEHCY Supplemental (COVID-19)</i>	84.425W
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<i>ARP Homeless (COVID-19)</i>	84.425W
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U.S. Department of Health and Human Services

<i>ELC Reopening Schools (COVID-19)</i>	93.323
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Dollar Threshold Considered Between Type A and Type B Federal Programs	\$1,650,193
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Auditee qualified as low risk auditee?	Yes
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LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended August 31, 2022

II. Financial Statement Findings

There were no items reported.

III. Federal Awards Findings and Questioned Costs

There were no items reported.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2022

Exhibit K-1

Project Identifying Number	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Expenditures and Indirect Costs
U.S. Department of Agriculture			
Passed Through Texas Department of Agriculture:			
Cash assistance (commodities):			
806780706	Pandemic Electronic Benefit Transfer (P-EBT) (COVID-19)	10.558	\$ 5,950
79901	Supply Chain Assistance Grant	10.555	920,210
Non cash assistance (commodities):			
806780706	National School Lunch Program	10.555	1,569,696
Passed Through Texas Education Agency:			
71302201	National School Lunch Program	10.555	18,398,551
71402201	School Breakfast Program	10.553	4,162,747
	Total Child Nutrition Cluster (ALN 10.553, 10.555)		<u>25,051,204</u>
Total U.S. Department of Agriculture			<u>25,057,154</u>
U.S. Department of Transportation			
Passed Through Houston-Galveston Area Council			
2020-006-LAMA	Clean Vehicles Project	20.205	588,438
	Total Highway Planning and Construction Cluster (ALN 20.205)		<u>588,438</u>
Total U.S. Department of Transportation			<u>588,438</u>
U.S. Department of Education			
Passed Through Texas Education Agency:			
20610101079901	Title I, Part A, Improving Basic Programs	84.010A	90,437
21610101079901	Title I, Part A, Improving Basic Programs	84.010A	1,786
22610101079901	Title I, Part A, Improving Basic Programs	84.010A	3,905,874
20610103079901	Title I, Part D, Subpart 2 Delinquent Programs	84.010A	5
22610103079901	Title I, Part D, Subpart 2 Delinquent Programs	84.010A	15,551
	Total ALN 84.010		<u>4,013,653</u>
22420006079901	Carl D. Perkins Basic Formula	84.048A	219,765
224600057110029	Texas Education For Homeless Children & Youth	84.196A	12,205
20671001079901	Title III, Part A, ELA	84.365A	9,968
21671001079901	Title III, Part A, ELA	84.365A	266
22671001079901	Title III, Part A, ELA	84.365A	637,244
	Total ALN 84.365		<u>647,478</u>
20694501079901	Title II, Part A, Supporting Effective Instruction	84.367A	466
22694501079901	Title II, Part A, Supporting Effective Instruction	84.367A	721,890
69452171	Educator Assessments	84.367A	7,785
	Total ALN 84.367		<u>730,141</u>
69552002	Summer School LEP	84.369A	19,170
20680101079901	Title IV, Part, Subpart 1	84.424A	24,647
21680101079901	Title IV, Part, Subpart 1	84.424A	2,109
22680101079901	Title IV, Part, Subpart 1	84.424A	339,196
	Total ALN 84.424		<u>365,952</u>
Elementary and Secondary School Emergency Relief I (ESSER I)			
20521001079901	Grant (COVID-19)	84.425D	110,014
21521001079901	CRRSA ESSER II (COVID-19)	84.425D	563,614
21528001079901	ARP ESSER III (COVID-19)	84.425U	14,988,903
21528042079901	TCLAS ESSER III (COVID-19)	84.425U	375,012
215330017110048	ARP Homeless I - TEHCY Supplemental (COVID-19)	84.425W	4,745
21533002079901	ARP Homeless (COVID-19)	84.425W	1,061
	Total ALN 84.425		<u>16,043,349</u>
Passed Through Texas Education Agency:			
216600010799016600	IDEA-B Formula	84.027A	5,603,144
226610010799016610	IDEA-B Preschool	84.173A	70,365
225350010799015350	IDEA-B Formula ARP (COVID-19)	84.027X	656,193
	Total Special Education Cluster (ALN 84.027, 84.173)		<u>6,329,702</u>
Total U.S. Department of Education			<u>28,381,415</u>
U.S. Department of Health and Human Services			
Passed Through Texas Health and Human Services Commission:			
529-07-0157-00219	Medicaid Administrative Claiming Program (MAC)	93.778	166,681
	Total Medicaid Cluster (ALN 93.778)		<u>166,681</u>
Passed Through Texas Education Agency:			
39352201	ELC Reopening Schools (COVID-19)	93.323	812,733
Total U.S. Department of Health and Human Services			<u>979,414</u>
Total Expenditures of Federal Awards			<u>\$ 55,006,421</u>

Note 1 - Basis of Accounting

The District accounts for all awards under federal programs in the General and 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.

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance. 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. Generally, unused balances are returned to the grantor at the close of specified project periods.

All federal grants are subject to review by the grantor agencies. Any expenditures identified by the grantor agencies as disallowed could require reimbursement to the grantor agency from the District’s general fund.

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 August 31, 2022. The information in this schedule is presented in accordance with the 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). 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 of Schedule of Federal Awards to Basic Financial Statements

The following is a reconciliation of expenditures of federal awards program per the Schedule of Expenditures of Federal Awards and expenditures reported in the District’s Annual Comprehensive Financial Report.

Total Expenditures of Federal Awards	\$ 55,006,421
Add:	
School Health and Related Services Program (SHARS)	5,327,552
ROTC	110,421
E-rate	2,500,270
Reconciled Balance	<u>\$ 62,944,664</u>
Related Revenues on Exhibit C-3	
General Fund	\$ 6,370,514
Capital Project Funds	2,867,145
Special Revenue Funds	53,707,005
Total	<u>\$ 62,944,664</u>

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2022

Note 4 - General Fund Expenditures

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

Program or Source	ALN	General Fund
ROTC	12.000	\$ 110,421
Indirect Cost - Title I, Part A, Improving Basic Programs	84.010A	140,392
Indirect Cost - Title I, Part D, Subpart 2 Delinquent Programs	84.010A	308
Indirect Cost - IDEA-B Formula	84.027A	194,492
Indirect Cost - IDEA B Preschool	84.173A	2,672
Indirect Cost - IDEA-B Formula ARP (COVID-19)	84.027X	22,915
Indirect Cost -Title II, Part A, Supporting Effective Instruction	84.367A	25,385
Indirect Cost- Title III Part A, ELA	84.365A	21,232
Indirect Cost- Title IV, Part, Subpart 1	84.424A	11,611
ELC Reopening Schools (COVID-19)	93.323	125,290
Medicaid Administrative Claims (MAC)	93.778	166,681
School Health and Related Services Program (SHARS)	N/A	5,327,552
E-rate	N/A	221,563
		\$ 6,370,514

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended August 31, 2022

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 Noted

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended August 31, 2022

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