



Lovvorn & Kieschnick, LLP
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees
Beeville Independent School District
Beeville, Texas

This letter is intended to inform the Board of Trustees of Beeville Independent School District (the District) about significant matters related to the conduct of the annual audit for the year ended August 31, 2017, so it can appropriately discharge its oversight responsibility and that we comply with our professional responsibilities to the Board of Trustees.

The Auditor's Responsibility under Auditing Standards Generally Accepted in the United States of America

Our audit of the financial statements of Beeville Independent School District for the year ended August 31, 2017 was conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* issued by the Comptroller General of the United States, and the Texas Education Agency's *Financial Accountability Resource Guide*. Those standards and the guide, require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting, or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplished that objective.

In accordance with *Government Auditing Standards*, the provisions of the Single Audit Act, 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), and OMB's *Compliance Supplement*, we have also performed tests of controls over internal control over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for an opinion on the District's internal control over financial reporting or on compliance and other matters.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses its knowledge and experience about past and current events and certain assumptions about future

events. Management has informed us it used all the relevant facts available to it at the time to make the best judgments about accounting estimates, and we considered this information in the scope of our audit. Estimates significant to the financial statements include such items as state revenues, allowance for uncollectible property taxes, and the estimated useful lives of capital (fixed) assets. The Board of Trustees may wish to monitor throughout the year the process used to compute and record these accounting estimates.

Audit Adjustments

There were a number of significant audit adjustments made to the original trial balance presented to us to begin our audit. The District's management has reviewed and approved the inclusion of these adjustments in the District's financial statements. The adjustments were necessary to properly reflect the August 31, 2017 balance for property tax receivable and the related allowance for uncollectible accounts and unavailable tax revenues; State Foundation revenues; grant receivables from the State; GASB 54 Fund Balance reclassifications; reclassifications in certain funds; certain accounts receivable; accounts payable; GASB 68 Pension Plan adjustments; USDA commodity transactions; and interfund adjustments.

Uncorrected Misstatements

There were no uncorrected misstatements noted during the audit.

Accounting Policies and Alternative Treatments

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period which should be brought to your attention for approval.

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 24, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management relating to the performance of the audit.

This information is intended solely for the use of the Board of Trustees and management of Beeville Independent School District and is not intended to be and should not be used by anyone other than these specified parties.

Lovvorn & Kieschnick, LLP
January 24, 2018