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**HARRIS COUNTY  
DEPARTMENT OF EDUCATION**

**FEDERAL SINGLE AUDIT  
REPORT**

**For the Year Ended August 31, 2021**

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*CPAs and Professional Consultants*



# HARRIS COUNTY DEPARTMENT OF EDUCATION

## TABLE OF CONTENTS

	<u>Page</u>
Report of Independent Auditors 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
Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance	3
Schedule of Findings and Questioned Costs	5
Schedule of Expenditures of Federal Awards	7
Notes to Schedule of Expenditures of Federal Awards	9
Summary Schedule of Prior Audit Findings	11
Corrective Action Plan	12



**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  
Harris County Department of Education  
Houston, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Harris County Department of Education (the “Department”), as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the Department’s basic financial statements, and have issued our report thereon dated January 19, 2022.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Department’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 Department’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Department’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.

To the Board of Trustees  
Harris County Department of Education  
Houston, Texas

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Department'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*.

***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.

  
Houston, Texas  
January 19, 2022

**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**

To the Board of Trustees  
Harris County Department of Education  
Houston, Texas

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

We have audited Harris County Department of Education's (the "Department") 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 Department's major federal programs for the year ended August 31, 2021. The Department'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 the Department'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* 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 the Department'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 the Department's compliance.

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

In our opinion, the Department 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, 2021.

To the Board of Trustees  
Harris County Department of Education

**Report on Internal Control Over Compliance**

Management of the Department 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 the Department’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 the Department’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.

**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 Department as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the Department’s basic financial statements. We issued our report thereon dated January 19, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 19, 2022

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended August 31, 2020*

**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</u>
<b>U.S. Department of Education</b> 21 <sup>st</sup> Century Community Learning Center	84.287C
<b>U.S Department of Health and Human Services</b> Head Start Cluster	93.600/93.356
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$789,562
Auditee qualified as low-risk auditee?	Yes

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)***  
***For the Year Ended August 31, 2021***

**II. Financial Statement Findings**

None Noted

**III. Federal Awards Findings and Questioned Costs**

None Noted

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) *Federal Assistance Living Number	(2a) Pass-Through Entity Identifying Number	(3) Federal Expenditures	(4) Passed Through to Others
<b>U.S. Department of Agriculture:</b>					
<b>Passed Through Texas Department of Agriculture:</b>					
289-0-USDA					
205-1-USDA					
215-1-USDA	<i>Child and Adult Care Food Program</i>	10.558	02463	\$ 500,387	
<b>Total U. S. Department of Agriculture</b>				<b>500,387</b>	<b>-</b>
<b>U.S. Department of Justice</b>					
<b>Direct:</b>					
210	<i>STOP School Violence Grant</i>	16.839	2018-YS-BX-153	172,257	-
<b>Total U. S. Department of Justice</b>				<b>172,257</b>	<b>-</b>
<b>Environmental Protection Agency</b>					
<b>Passed Through Texas Commission on Environmental Quality:</b>					
213-1	<i>Texas Estuarine Resource Network Program</i>	66.456	CE-00655007	16,275	-
<b>Total Environmental Protection Agency:</b>				<b>16,275</b>	<b>-</b>
<b>U.S. Department of Education:</b>					
<b>Passed Through Houston-Galveston Area Council</b>					
230-1	<i>Adult Education Basic Grants to States - Regular</i>	84.002A	212-21	2,955,339	-
230-2	<i>Adult Education Basic Grants to States - Regular</i>	84.002A	212-22	411,557	-
234-1	<i>Adult Education Basic Grants to States - English Literacy &amp; Civics Education</i>	84.002A	212-21	481,103	-
234-2	<i>Adult Education Basic Grants to States - English Literacy &amp; Civics Education</i>	84.002A	212-22	95,983	-
<i>Total ALN 84.002</i>				<b>3,943,982</b>	<b>-</b>
<b>Passed Through Texas Education Agency</b>					
268-0	<i>21st Century Community Learning Centers</i>	84.287C	206950267110022	69,931	67,342
267-0	<i>21st Century Community Learning Centers</i>	84.287C	206950247110014	144,639	110,867
268-1	<i>21st Century Community Learning Centers</i>	84.287C	216950267110022	1,389,484	1,184,811
267-1	<i>21st Century Community Learning Centers</i>	84.287C	216950247110014	1,557,417	1,362,341
265-2	<i>21st Century Community Learning Centers</i>	84.287C	226950307110022	12,343	-
268-2	<i>21st Century Community Learning Centers</i>	84.287C	226950267110022	8,838	-
<i>Total ALN 84.287</i>				<b>3,182,652</b>	<b>2,725,361</b>
<b>Passed Through The Ohio State University</b>					
208-1	<i>Transition to Teaching Program - National</i>	84.350C	U350C110001	6,500	
<b>Total U.S. Department of Education</b>				<b>7,133,134</b>	<b>2,725,361</b>

\*ALN formerly known as CFDA#

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) *Federal Assistance Living Number	(2a) Pass-Through Entity Identifying Number	(3) Federal Expenditures	(4) Passed Through to Others
<b>U.S. Department of Health and Human Services:</b>					
<b>Direct:</b>					
207-0 & 218-1	Head Start Disaster Recovery	93.356	06TD000058	\$ 672,788	-
209-1	Head Start Disaster Recovery	93.356	06TD000179	99,779	-
289-0	Head Start	93.600	06CH011535/01	4,653,948	-
205-1 & 206-1	Head Start	93.600	06CH011535/02	8,043,022	-
215-0 & 216-0	Early Head Start/Child Care Partnership	93.600	06HP000311/01	36,622	-
215-1 & 216-1	Early Head Start/Child Care Partnership	93.600	06HP000311/02	2,349,378	-
214-1	Early Head Start/Child Care Partnership	93.600	06HP000311/02	55,337	-
427-1	Head Start - Covid 19 Funds	93.600	06CH011535/01C3	440,400	-
427-2	Head Start - Covid 19 Funds	93.600	06CH011535/02C3	128,588	-
437-1	Head Start Covid	93.600	06HE000969/01	59,028	-
	Total Head Start Cluster (ALN 93.356, 93.600)			<u>16,538,890</u>	<u>-</u>
<b>Passed Through Gulf Coast Workforce Solutions Board</b>					
<i>Child Care Mandatory and Matching Funds of the</i>					
288-0	Child Care and Development Fund	93.596	2820CCMC24	885,975	-
<i>Child Care Mandatory and Matching Funds of the</i>					
288-1	Child Care and Development Fund	93.596	2821CCMC24	1,044,701	518,063
	Total CCDF Cluster (ALN 93.596)			<u>1,930,676</u>	<u>518,063</u>
<b>Passed Through Texas Education Agency:</b>					
286-9	Texas Council for Developmental Disabilities	93.630	17750002-17S11	7,500	-
<b>Passed Through Texas Health and Human Services:</b>					
199-1	Medicaid Administrative Claiming Program	93.778	529-7-157-261	19,619	-
<b>Total U.S. Department of Health and Human Services</b>				<u>18,496,685</u>	<u>518,063</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 26,318,738</u>	<u>\$ 3,243,424</u>

\*ALN formerly known as CFDA#

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Note 1 - Basis of Accounting**

The Department accounts for all awards under federal programs in the General 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. Expenditures are recognized following the cost principles contained in the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited to reimbursement. The Department has elected not 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 until earned. Generally unused balances are returned to the grantor at the close of specified project periods.

**Note 2 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the Department under programs of the federal government for the year ended August 31, 2021. 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 Department, it is not intended to and does not present the financial position, changes in net position or cash flows of the Department.

**Note 3 – Reconciliation to Basic Financial Statements**

The following is a reconciliation of expenditures of federal award programs per the Schedule of Expenditures of Federal Awards and federal revenues reported on Exhibit C-3 of the Departments Annual Comprehensive Financial Report:

Total Expenditures of Federal Awards	\$ 26,318,738
FEMA - expenditures from prior year	9,021
Federal Program Revenues per Exhibit B-3	<u>\$ 26,327,759</u>

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**

**Note 3 - General Fund Expenditures**

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

<u>Program or Source</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
Disaster Grants Public Assistance		\$ 9,021
Medicaid Administrative Claiming Program		19,619
Indirect Costs:		
STOP School Violence	16.839	17,556
Texas Estuarine Resource Network Program	66.456	2,675
Adult Education Basic Grants to States - English Literacy & Civics Education	84.002A	187,861
AEL Distance Learning Capacity Building Initiative	84.002A	32,031
21st Century Community Learning Centers	84.287C	20,954
Head Start Disaster Relief	93.356	65,739
Head Start & Early Head Start	93.600	1,723,426
<b>Total</b>		<u>\$ 2,078,882</u>

## **HARRIS COUNTY DEPARTMENT OF EDUCATION**

### ***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS***

***For the Year Ended August 31, 2021***

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

**HARRIS COUNTY DEPARTMENT OF EDUCATION**

***CORRECTIVE ACTION PLAN***

***For the Year Ended August 31, 2021***

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