

**GALENA PARK  
INDEPENDENT SCHOOL DISTRICT**

**SINGLE AUDIT REPORT**

**For The Fiscal Year Ended  
August 31, 2020**



**GALENA PARK INDEPENDENT SCHOOL DISTRICT**  
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**Galena Park**  
Independent School District

**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 GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees  
Galena Park Independent School District  
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, each major fund, and the aggregate remaining fund information of Galena Park Independent School District, (the “District”) as of and for the year ended August 31, 2020, 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 11, 2021.

***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 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.

To the Board of Trustees  
Galena Park Independent School District

***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 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.

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

Houston, Texas  
January 11, 2021

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees  
Galena Park Independent School District  
Houston, Texas

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

We have audited Galena Park 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, 2020. 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.

***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 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 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 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 the District's compliance.

To the Board of Trustees  
Galena Park Independent School District

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

In our opinion, the 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 year ended August 31, 2020.

***Report on Internal Control Over Compliance***

Management of the 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 the 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 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.

***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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 11, 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.



To the Board of Trustees  
Galena Park Independent School District

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 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.

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

Houston, Texas  
January 11, 2021



**Galena Park**  
Independent School District

**GALENA PARK INDEPENDENT SCHOOL DISTRICT**  
**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 deficiency (ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

**Federal Awards**

Internal controls over major programs:	
Material weakness (es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	No

Identification of Major Programs:

**Name of Federal Programs:** **CFDA Number**

**US Department of Education**

Child Nutrition Cluster:	
National School Lunch Program (Commodities)	10.555
National School Lunch Program	10.555
National School Breakfast Program	10.553
COVID 19 – National School Lunch Program	10.555
COVID 19 – National School Breakfast Program	10.553
COVID 19 – ESSER Grant – CARES Act	84.425D
Carl D Perkins Basic Grant	84.048A
20-21 Perkins V: Strengthening CTE for 21st Century	84.048A

Dollar Threshold used to distinguish between Type A and Type B Federal Programs \$1,017,176

Auditee qualified as low-risk auditee? Yes

**GALENA PARK INDEPENDENT SCHOOL DISTRICT**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)***  
***For the Year Ended August 31, 2020***

**II. Financial Statement Findings**

None reported

**III. Federal Award Findings**

None reported

**GALENA PARK INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended August 31, 2020**

**Exhibit K-1**  
**Page 1 of 2**

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
<b>U. S. Department of Education</b>				
<b>Passed Through State Department of Education:</b>				
206	<i>2019-2020 Texas Education for Homeless Children &amp; Youth</i>	84.196A	204600057110034	\$ 79,171
211	<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	19610101101910	59,159
211	<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	20610101101910	6,483,151
211	<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	21610101101910	533
	<b>Total CFDA 84.010</b>			<u>6,542,843</u>
212	<i>ESEA, Title I, Part C - Migrant</i>	84.011A	19615001101910	1,314
212	<i>ESEA, Title I, Part C - Migrant</i>	84.011A	20615001101910	95,538
	<b>Total CFDA 84.011</b>			<u>96,852</u>
224	<i>IDEA B - Formula</i>	84.027A	196600011019106600	10,956
224	<i>IDEA B - Formula</i>	84.027A	206600011019106600	3,715,415
224	<i>IDEA B - Formula</i>	84.027A	216600011019106600	22,605
225	<i>IDEA B - Preschool</i>	84.173A	196610011019106610	826
225	<i>IDEA B - Preschool</i>	84.173A	206610011019106610	59,064
225	<i>IDEA B - Preschool</i>	84.173A	216610011019106610	466
226	<i>IDEA B - High Cost</i>	84.027A	66002006	141,062
	<b>Total Special Education Cluster (CFDA 84.027, 84.173)</b>			<u>3,950,394</u>
244	<i>Carl D Perkins Basic Grant</i>	84.048A	20420006101910	345,440
244	<i>20-21 Perkins V: Strengthening CTE for 21st Century</i>	84.048A	21420006101910	13,686
	<b>Total CFDA 84.048</b>			<u>359,126</u>
255	<i>Title II, Part A - Supporting Effective Instruction</i>	84.367A	19694501101910	8,367
255	<i>Title II, Part A - Supporting Effective Instruction</i>	84.367A	20694501101910	764,977
255	<i>Title II, Part A - Supporting Effective Instruction</i>	84.367A	21694501101910	28,090
	<b>Total CFDA 84.367</b>			<u>801,434</u>
263	<i>Title III, Part A - ELA</i>	84.365A	19671001101910	4,755
263	<i>Title III, Part A - ELA</i>	84.365A	20671001101910	680,079
263	<i>Title III, Part A - ELA</i>	84.365A	21671001101910	4,059
	<b>Total CFDA 84.365</b>			<u>688,893</u>
266	<i>COVID 19 - ESSER Grant - CARES Act</i>	84.425D	20521001101910	5,505,785
288	<i>Summer School LEP</i>	84.369A	69551902	21,186
289	<i>Title IV, Part A, Subpart 1</i>	84.424A	19680101101910	1,133
289	<i>Title IV, Part A, Subpart 1</i>	84.424A	20680101101910	462,038
289	<i>Title IV, Part A, Subpart 1</i>	84.424A	21680101101910	66,106
	<b>Total CFDA 84.424</b>			<u>529,277</u>
289	<i>Texas Hurricane Homeless Youth</i>	84.983B	19513701101910	180,254

**GALENA PARK INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*For the Year Ended August 31, 2020*

*Exhibit K-1*  
*Page 2 of 2*

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
<b>U. S. Department of Education (continued)</b>				
<b>Passed Through Harris County Department of Education:</b>				
265	<i>ESEA, Title IV, Part B - 21st Century Learning Centers</i>	84.287C	206950247110014	125,451
265	<i>ESEA, Title IV, Part B - 21st Century Learning Centers</i>	84.287C	206950267110022	118,951
265	<i>ESEA, Title IV, Part B - 21st Century Learning Centers</i>	84.287C	206950267110022	110,977
265	<i>ESEA, Title IV, Part B - 21st Century Learning Centers</i>	84.287C	206950267110022	107,430
265	<i>ESEA, Title IV, Part B - 21st Century Learning Centers</i>	84.287C	216950247110014	4,278
265	<i>ESEA, Title IV, Part B - 21st Century Learning Centers</i>	84.287C	216950267110022	4,444
265	<i>ESEA, Title IV, Part B - 21st Century Learning Centers</i>	84.287C	216950267110022	4,428
265	<i>ESEA, Title IV, Part B - 21st Century Learning Centers</i>	84.287C	216950267110022	4,423
<b>Total CFDA 84.287</b>				<u>480,382</u>
<b>Total U. S. Department of Education</b>				<u>19,235,597</u>
<b>U. S. Department of Agriculture</b>				
<b>Passed Through the Texas Department of Agriculture:</b>				
Cash Assistance:				
240	<i>Child &amp; Adult Care Food Program</i>	10.558	806780706	128,247
240	<i>Fresh Fruit &amp; Vegetable Program</i>	10.582	00528	23,186
<b>Passed Through the Texas Department of Agriculture:</b>				
240	<i>National School Lunch Program - USDA Commodities - Non-Cash Assistance</i>	10.555	71301201	1,152,337
<b>Passed Through State Department of Education:</b>				
Cash Assistance:				
240	<i>National School Breakfast Program</i>	10.553	71401901	536,609
240	<i>National School Lunch Program</i>	10.555	71301901	1,065,868
240	<i>National School Breakfast Program</i>	10.553	71402001	3,472,547
240	<i>National School Lunch Program</i>	10.555	71302001	6,600,817
240	<i>COVID 19 - National School Breakfast Program</i>	10.553	52402001	268,219
240	<i>COVID 19 - National School Lunch Program</i>	10.555	52302001	426,981
<b>Total Child Nutrition Cluster (CFDA 10.553, 10.555)</b>				<u>13,523,378</u>
<b>Total U. S. Department of Agriculture</b>				<u>13,674,811</u>
<b>U. S. Department of Health and Human Services</b>				
<b>Direct Program:</b>				
199	<i>Medicaid Administrative Claims (MAC)</i>	93.778	N/A	48,668
205	<i>Early Head Start Program</i>	93.600	06CH011207-01-00	838,003
<b>Total U. S. Department of Health and Human Services</b>				<u>886,671</u>
<b>U.S. Department of Homeland Security</b>				
<b>Direct Program:</b>				
199	<i>Hazard Mitigation Grant Program (HMGP)</i>	97.039	FEMA 4332-DR-TX	108,778
<b>Total U.S. Department of Homeland Security</b>				<u>108,778</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 33,905,857</u>

**GALENA PARK INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*For the Year Ended August 31, 2020*

**Note 1 - Summary of Significant Accounting Policies**

The District accounts for all awards under federal programs in the General 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 also recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. 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 deferred revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**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, 2020. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) 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 to Basic Financial Statements**

The following table reconciles expenditures per the Schedule of Expenditures of Federal Awards to the federal program revenues per the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.

Federal Program Revenues	36,651,040
JROTC	(143,436)
SHARS	(2,194,482)
E-Rate	(407,265)
Total Expenditures of Federal Awards per SEFA	<u>\$ 33,905,857</u>

**GALENA PARK INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
*For the Year Ended August 31, 2020*

**Note 4 - General Fund Expenditures**

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

Program or Source	CFDA Number	Amount
JROTC		\$ 143,436
SHARS		2,194,482
E-Rate		407,265
Medicaid Administrative Claims (MAC)		48,668
Hazard Mitigation Grant Program (HMGP)		108,778
Indirect Costs:		
National School Breakfast Program	10.553	210,301
National School Lunch Program	10.555	397,857
2019-2020 Texas Education for Homeless Children & Youth	84.196A	4,089
ESEA Title I Part A - Improving Basic Programs	84.010A	340,920
ESEA, Title I, Part C - Migrant	84.011A	5,083
IDEA B - Formula	84.027A	205,926
IDEA B - Preschool	84.173A	3,093
Carl D Perkins Basic Grant	84.048A	15,625
Title II, Part A - Supporting Effective Instruction	84.367A	40,072
Title III, Part A - ELA	84.365A	35,717
Title IV, Part A, Subpart 1	84.424A	25,514
Texas Hurricane Homeless Youth	84.983B	9,806
COVID 19 - ESSER Grant - CARES Act	84.425D	593,590
Early Head Start Program	93.600	1,000
		\$ 4,791,222



**GALENA PARK INDEPENDENT SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
*For the Year Ended August 31, 2020*

Federal regulations, Title 2 U.S. Code of Federal Regulations §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 reported

**GALENA PARK INDEPENDENT SCHOOL DISTRICT**

***CORRECTIVE ACTION PLAN***

***For the Year Ended August 31, 2020***

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