

Foundation for Inspiration and Recognition of Science
& Technology in Texas
Financial Statements and
Supplemental Information
June 30, 2019 and 2018

Foundation for Inspiration and Recognition of Science & Technology in Texas

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Foundation for Inspiration and Recognition of Science & Technology in Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Foundation for Inspiration and Recognition of Science & Technology in Texas (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foundation for Inspiration and Recognition of Science & Technology in Texas as of June 30, 2019 and June 30, 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplemental Information

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, as required by 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), is presented for purposes of additional analysis and is not a required part of the 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 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2020, on our consideration of Foundation for Inspiration and Recognition of Science & Technology in Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Foundation for Inspiration and Recognition of Science & Technology in Texas' internal control over financial reporting and compliance.



Austin, Texas
March 19, 2020

FOUNDATION FOR INSPIRATION AND RECOGNITION OF
SCIENCE & TECHNOLOGY IN TEXAS
Statements of Financial Position
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets		
Cash	\$ 696,321	\$ 205,707
Accounts receivable	103,820	67,389
Grants receivable	108,977	123,671
Prepaid expenses	9,641	23,409
Total current assets	918,759	420,176
Property and equipment, net	28,588	-
Total	\$ 947,347	\$ 420,176
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 185,947	\$ 136,225
Agency funds payable	62	62
Total current liabilities	186,009	136,287
Net assets		
Without donor restrictions	670,268	238,460
With donor restrictions	91,070	45,429
Total net assets	761,338	283,889
Total liabilities and net assets	\$ 947,347	\$ 420,176

The accompanying notes are an integral part of these financial statements.

FOUNDATION FOR INSPIRATION AND RECOGNITION OF
SCIENCE & TECHNOLOGY IN TEXAS

Statement of Activities
Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Federal grants	\$ 903,791	\$ -	\$ 903,791
Contributions and corporate grants	747,645	418,100	1,165,745
Corporate sponsorships	494,620	-	494,620
In-kind income	67,200	-	67,200
Other income	7,059	-	7,059
Registration fee revenue	289,422	-	289,422
Net assets released from restrictions	372,459	(372,459)	-
Total support and revenue	2,882,196	45,641	2,927,837
Expenses			
Program services	2,107,978	-	2,107,978
Management and general	224,627	-	224,627
Fundraising	117,783	-	117,783
Total expenses	2,450,388	-	2,450,388
Change in net assets	431,808	45,641	477,449
Net assets - beginning of year	238,460	45,429	283,889
Net assets - end of year	\$ 670,268	\$ 91,070	\$ 761,338

The accompanying notes are an integral part of these financial statements.

FOUNDATION FOR INSPIRATION AND RECOGNITION OF
SCIENCE & TECHNOLOGY IN TEXAS

Statement of Activities
Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Federal grants	\$ 1,122,724	\$ -	\$ 1,122,724
Contributions and corporate grants	659,958	245,217	905,175
Corporate sponsorships	-	-	-
In-kind income	64,800	-	64,800
Other income	12,272	-	12,272
Registration fee revenue	103,628	-	103,628
Net assets released from restrictions	380,043	(380,043)	-
Total support and revenue	2,343,425	(134,826)	2,208,599
Expenses			
Program services	1,910,226	-	1,910,226
Management and general	302,846	-	302,846
Fundraising	83,090	-	83,090
Total expenses	2,296,162	-	2,296,162
Change in net assets	47,263	(134,826)	(87,563)
Net assets - beginning of year	191,197	180,255	371,452
Net assets - end of year	\$ 238,460	\$ 45,429	\$ 283,889

The accompanying notes are an integral part of these financial statements.

FOUNDATION FOR INSPIRATION AND RECOGNITION OF
SCIENCE & TECHNOLOGY IN TEXAS
Statement of Functional Expenses
Year Ended June 30, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and payroll taxes	\$ 473,439	\$ 165,657	\$ 89,192	\$ 728,288
Federal team support	503,167	-	-	503,167
FRC district qualifier	355,031	-	-	355,031
Team grants - corporate	280,399	-	-	280,399
Event expenses	252,448	-	-	252,448
Consultants & contractors	102,392	25,000	25,000	152,392
In-kind expenses	67,200	-	-	67,200
Travel & training	16,206	5,569	3,009	24,784
Marketing/communications	13,199	7,703	-	20,902
Printing & supplies	10,285	4,664	-	14,949
Education & outreach	14,326	-	-	14,326
Rent	13,620	-	-	13,620
Professional fees	-	11,275	-	11,275
General operating	3,090	4,759	582	8,431
Depreciation	3,176	-	-	3,176
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$2,107,978</u>	<u>\$ 224,627</u>	<u>\$ 117,783</u>	<u>\$2,450,388</u>

The accompanying notes are an integral part of these financial statements.

FOUNDATION FOR INSPIRATION AND RECOGNITION OF
SCIENCE & TECHNOLOGY IN TEXAS
Statement of Functional Expenses
Year Ended June 30, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and payroll taxes	\$ 303,050	\$ 203,793	\$ 78,527	\$ 585,370
Federal team support	653,071	-	-	653,071
FRC district qualifier	-	-	-	-
Team grants - corporate	303,878	-	-	303,878
Event expenses	463,092	-	-	463,092
Consultants & contractors	71,196	56,000	-	127,196
In-kind expenses	64,800	-	-	64,800
Travel & training	18,755	11,825	4,563	35,143
Marketing/communications	22,178	1,527	-	23,705
Printing & supplies	-	8,548	-	8,548
Education & outreach	4,272	-	-	4,272
Rent	5,934	-	-	5,934
Professional fees	-	11,250	-	11,250
General operating	-	9,903	-	9,903
Depreciation	-	-	-	-
Total	<u>\$1,910,226</u>	<u>\$ 302,846</u>	<u>\$ 83,090</u>	<u>\$2,296,162</u>

The accompanying notes are an integral part of these financial statements.

FOUNDATION FOR INSPIRATION AND RECOGNITION OF
SCIENCE & TECHNOLOGY IN TEXAS
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
OPERATING ACTIVITIES		
Change in net assets	\$ 477,449	\$ (87,563)
Adjustments to reconcile changes in net assets to net cash flows from operating activities		
Depreciation	3,176	-
Change in operating assets and liabilities -		
Accounts receivable	(36,431)	(55,989)
Grants receivable	14,694	(54,757)
Prepaid expenses	13,768	(23,409)
Accounts payable and accrued expenses	49,722	(12,985)
Agency funds payable	-	(12,806)
Net cash flows from operating activities	522,378	(247,509)
INVESTING ACTIVITIES		
Purchases of property and equipment	(31,764)	-
Net cash flows from investing activities	(31,764)	-
Net change in cash	490,614	(247,509)
Cash - beginning of year	205,707	453,216
Cash - end of year	\$ 696,321	\$ 205,707

The accompanying notes are an integral part of these financial statements.

FOUNDATION FOR INSPIRATION AND RECOGNITION OF
SCIENCE & TECHNOLOGY IN TEXAS
Notes to Financial Statements
June 30, 2019 and 2018

NOTE A - ORGANIZATION AND NATURE OF OPERATIONS

The Foundation for Inspiration and Recognition of Science & Technology in Texas (the Foundation), a Texas nonprofit corporation, was incorporated May 3, 2010, to build awareness, facilitate events and programs, and coordinate funding, professional development, education, and organization for Texas public and private schools involved with robotics programs offered by United States Foundation for Inspiration and Recognition of Science and Technology (“US FIRST®”). To differentiate itself more clearly from US FIRST®, the Foundation often refers to itself as “FIRST® in Texas.”

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (US GAAP).

2. Financial Statement Presentation

Under Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based on the absence or existence of donor-imposed restrictions.

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations or the donor-imposed restrictions have expired or been satisfied.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general purposes.

3. Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

FOUNDATION FOR INSPIRATION AND RECOGNITION OF
SCIENCE & TECHNOLOGY IN TEXAS

Notes to Financial Statements

June 30, 2019 and 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. The Foundation's policy is to capitalize assets acquired for greater than \$2,500 and expense normal repairs and maintenance as incurred. Depreciation is computed over the estimated useful lives using the straight-line method, with half-year convention. The estimated useful lives for these assets are as follows:

Field equipment	5 years
Trailers	5 years

5. Net Assets Released From Restrictions

When a donor-imposed restriction is fulfilled or when a time restriction expires, net assets with restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

6. Revenue Recognition

Grant revenues are recognized using the legal and contractual requirements of the Foundation's programs as guidance. Grant revenues that are conditioned upon the Foundation incurring certain qualifying costs are considered to be exchange transactions and therefore are recognized as those costs are incurred.

The Foundation reports grants and gifts of cash and other assets as restricted support if they are received with donor or grant stipulations that limit the use of the donated assets.

7. In-Kind Contributions

Donated materials, facilities, and services are recorded at their estimated fair values and recorded as revenue in the accounting period in which they are received.

8. Income Taxes

The Foundation is a nonprofit corporation, not considered to be a private foundation, under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. Consequently, no federal income taxes have been provided for in these financial statements.

FOUNDATION FOR INSPIRATION AND RECOGNITION OF
SCIENCE & TECHNOLOGY IN TEXAS
Notes to Financial Statements
June 30, 2019 and 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Income Taxes (Continued)

The Foundation has adopted FASB ASC 740, *Accounting for Uncertainty in Income Taxes*. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the positions will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. As of June 30, 2019 and 2018, the Foundation has not recognized liabilities for uncertain tax positions or associated interest and penalties.

The Foundation's federal exempt organization returns for the years ended June 30, 2016, and after are subject to examination by the Internal Revenue Service.

9. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

10. Functional Allocation of Expenses

The costs of providing the program and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated based on estimates made by management. Those expenses that are not directly related to program or support services are allocated based on time and effort.

11. Recently Issued Accounting Pronouncements

On August 18, 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has adjusted the presentation of these statements accordingly.

FOUNDATION FOR INSPIRATION AND RECOGNITION OF
SCIENCE & TECHNOLOGY IN TEXAS

Notes to Financial Statements

June 30, 2019 and 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Subsequent Events

Management of the Foundation has evaluated subsequent events for disclosure through the date of the independent auditors' report, the date the financial statements were available to be issued.

NOTE C - GRANTS RECEIVABLE

Grants receivable include the following:

	2019	2018
Texas Workforce Commission	\$ 108,977	\$ 123,671

NOTE D - CONCENTRATIONS

Cash is a financial instrument which potentially subjects the Foundation to a concentration of credit risk. All funds in a single institution are insured in full by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Foundation held \$274,178 in excess of amounts insured by the FDIC at June 30, 2019.

The Foundation receives the majority of its revenue from one local government grant, comprising approximately 31% and 51% of total revenue for the years ended June 30, 2019 and 2018, respectively. A similar amount has been awarded for the subsequent fiscal year.

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2019 and 2018:

	2019	2018
Field equipment	\$ 24,530	\$ -
Trailers	7,234	-
	31,764	-
Accumulated depreciation	(3,176)	-
	28,588	-

Depreciation expense for property and equipment was \$3,176 and \$0 for the years ended June 30, 2019 and 2018, respectively.

FOUNDATION FOR INSPIRATION AND RECOGNITION OF
SCIENCE & TECHNOLOGY IN TEXAS

Notes to Financial Statements

June 30, 2019 and 2018

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	2019	2018
For use in subsequent year	\$ 91,070	\$ 45,429

NOTE G - GIFTS-IN-KIND

During the years ended June 30, 2019 and 2018, the Foundation received \$67,200 and \$64,800, respectively, of donated computers for distribution to teams in its FIRST Engaging Underserved Youth in Robotics program.

NOTE H - LIQUIDITY AND AVAILABILITY

The following represents the Foundation's financial assets at June 30, 2019 and 2018:

	2019	2018
Financial assets at year end:		
Cash	\$ 696,321	\$ 205,707
Accounts receivable	103,820	67,389
Grants receivable	108,977	123,671
Total financial assets	909,118	396,767
Financial assets available to meet cash needs for general expenditures within one year	\$ 909,118	\$ 396,767

The Foundation's goal is to maintain financial assets to meet two months of operating expenses. The Foundation deems restricted funds for use in subsequent years to be available for general operations.

**SUPPLEMENTAL
INFORMATION**

FOUNDATION FOR INSPIRATION AND RECOGNITION OF
SCIENCE & TECHNOLOGY IN TEXAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>AS PASSED THROUGH TEXAS WORKFORCE COMMISSION</u>			
Temporary Assistance for Needy Families (TANF Cluster)	93.558	2917TAN009	\$ 40,583
Temporary Assistance for Needy Families (TANF Cluster)	93.558	2918TAN002	863,208
Total			<u>\$ 903,791</u>

FOUNDATION FOR INSPIRATION AND RECOGNITION OF
SCIENCE & TECHNOLOGY IN TEXAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Foundation for Inspiration and Recognition of Science & Technology in Texas under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of the *U.S. Office of Management and Budget (OMB) Compliance Supplement*. Because the Schedule presents only a selected portion of the operations of Foundation for Inspiration and Recognition of Science & Technology in Texas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Foundation for Inspiration and Recognition of Science & Technology in Texas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

3. INDIRECT COST RATES

The Foundation for Inspiration and Recognition of Science & Technology in Texas has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



**INDEPENDENT AUDITORS' 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 Directors of
Foundation for Inspiration and Recognition of Science & Technology in 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 Foundation for Inspiration and Recognition of Science & Technology in Texas (the Foundation) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 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 over financial reporting 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation'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 determination of financial statement amounts. 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 Foundation'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, in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Atchley & Associates, LLP".

Austin, Texas

March 19, 2020



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB UNIFORM GUIDANCE**

To the Board of Directors of
Foundation for Inspiration and Recognition of Science & Technology in Texas

Report on Compliance for Each Major Federal Program

We have audited the Foundation for Inspiration and Recognition of Science & Technology in Texas' (the Foundation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the Foundation's major federal program for the year ended June 30, 2019. The Foundation's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Foundation's major federal program 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 of Federal Awards* (Uniform Guidance). Those standards and 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 Foundation'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 Foundation's compliance.

Opinion on Major Federal Program

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Foundation 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 Foundation'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 Foundation'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.

Purpose of this Report

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.



Austin, Texas
March 19, 2020

Foundation for Inspiration and Recognition of Science & Technology in Texas
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2019

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified other than material weakness(es)? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any findings and questioned costs that are required to be disclosed in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

CFDA No.	Name of Federal Program
93.558	Temporary Assistance for Needy Families (TANF Cluster)

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Foundation for Inspiration and Recognition of Science & Technology in Texas
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

II. Financial Statement Findings

Current Year

None

III. Findings and Questioned Costs For Federal Awards

Current Year

None

Foundation for Inspiration and Recognition of Science & Technology in Texas
Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2019

There were no prior year findings.