

Foundation for Inspiration and Recognition of Science  
& Technology in Texas  
Financial Statements and  
Supplemental Information  
June 30, 2018 and 2017

Foundation for Inspiration and Recognition of Science & Technology in Texas

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statement of Activities	
Year Ended June 30, 2018	4
Year Ended June 30, 2017	5
Statements of Cash Flows	6
Notes to Financial Statements	7
Supplemental Information	
Schedule of Expenditures of Federal Awards	11
Notes to Schedule of Expenditures of Federal Awards	12
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 <i>Government Auditing Standards</i>	13
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	15
Schedule of Findings and Questioned Costs	17
Schedule of Prior Year Audit Findings	19



## 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, 2018 and June 30, 2017, and the related statements of activities 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 audit. We conducted our audit 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 audit 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, 2018 and June 30, 2017, 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 February 4, 2019, 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  
February 4, 2019

FOUNDATION FOR INSPIRATION AND RECOGNITION OF  
SCIENCE & TECHNOLOGY IN TEXAS  
Statements of Financial Position  
June 30, 2018 and 2017

	2018	2017
<b>ASSETS</b>		
Current assets		
Cash	\$ 205,707	\$ 453,216
Accounts receivable	67,389	11,400
Grants receivable	123,671	68,914
Prepaid expenses	23,409	-
Total current assets	\$ 420,176	\$ 533,530
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 136,225	\$ 149,210
Agency funds payable	62	12,868
Total current liabilities	136,287	162,078
Net assets		
Unrestricted	238,460	191,197
Temporarily restricted	45,429	180,255
Total net assets	283,889	371,452
Total liabilities and net assets	\$ 420,176	\$ 533,530

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Federal grants	\$ 1,122,724	\$ -	\$ 1,122,724
Contributions and corporate grants	659,958	245,217	905,175
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)	-
	<u>2,343,425</u>	<u>(134,826)</u>	<u>2,208,599</u>
Expenses			
Program services	1,910,226	-	1,910,226
Management and general	302,846	-	302,846
Fundraising	83,090	-	83,090
	<u>2,296,162</u>	<u>-</u>	<u>2,296,162</u>
Change in net assets	47,263	(134,826)	(87,563)
Net assets - beginning of year	<u>191,197</u>	<u>180,255</u>	<u>371,452</u>
Net assets - end of year	<u>\$ 238,460</u>	<u>\$ 45,429</u>	<u>\$ 283,889</u>

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, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>			
Federal grants	\$ 1,026,280	\$ -	\$ 1,026,280
Contributions and corporate grants	518,385	442,058	960,443
In-kind income	37,331	-	37,331
Other income	2,447	-	2,447
Registration fee revenue	-	-	-
Net assets released from restrictions	<u>497,678</u>	<u>(497,678)</u>	<u>-</u>
 Total support and revenue	 2,082,121	 (55,620)	 2,026,501
 <b>Expenses</b>			
Program services	1,824,195	-	1,824,195
Management and general	182,170	-	182,170
Fundraising	<u>34,007</u>	<u>-</u>	<u>34,007</u>
 Total expenses	 <u>2,040,372</u>	 <u>-</u>	 <u>2,040,372</u>
 Change in net assets	 41,749	 (55,620)	 (13,871)
Net assets - beginning of year	<u>149,448</u>	<u>235,875</u>	<u>385,323</u>
Net assets - end of year	<u><u>\$ 191,197</u></u>	<u><u>\$ 180,255</u></u>	<u><u>\$ 371,452</u></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, 2018 and 2017

	2018	2017
OPERATING ACTIVITIES		
Change in net assets	\$ (87,563)	\$ (13,871)
Adjustments to reconcile changes in net assets to net cash flows from operating activities		
Change in operating assets and liabilities -		
Accounts receivable	(55,989)	(7,964)
Grants receivable	(54,757)	25,427
Prepaid expenses	(23,409)	6,823
Accounts payable and accrued expenses	(12,985)	122,850
Agency funds payable	(12,806)	(21,462)
Net cash flows from operating activities	(247,509)	111,803
Net change in cash	(247,509)	111,803
Cash - beginning of year	453,216	341,413
Cash - end of year	\$ 205,707	\$ 453,216

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, 2018 and 2017

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.

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 three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets, based on the absence or existence of donor-imposed restrictions.

*Unrestricted net assets* - Net assets that are not subject to donor-imposed stipulations or the donor-imposed restrictions have expired or been satisfied.

*Temporarily restricted net assets* - Net assets that are subject to donor-imposed restriction either for use during a specific time period or for a particular purpose.

*Permanently restricted net assets* - Net assets that are subject to donor-imposed restrictions that they be maintained permanently by the organization. The donors of these assets permit the Foundation to use all or part of the income earned on any related investments for unrestricted purposes.

The Foundation did not have any permanently restricted net assets as of June 30, 2018 and 2017.

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, 2018 and 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Net Assets Released From Restrictions

When a donor-imposed restriction is fulfilled or when a time restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

5. 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.

6. 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.

7. 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.

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, 2018 and 2017, 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, 2015, and after are subject to examination by the Internal Revenue Service.

FOUNDATION FOR INSPIRATION AND RECOGNITION OF  
SCIENCE & TECHNOLOGY IN TEXAS

Notes to Financial Statements

June 30, 2018 and 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

9. Functional Allocation of Expenses

The expenses related to providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among the program and supporting services benefited. A formal statement of functional expenses is not presented because the Foundation does not consider itself to be a voluntary health and welfare organization.

10. 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.

11. Recently Issued Accounting Pronouncements

In August 2016, the FASB issued Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which requires presentation on the face of the statement of financial position amounts for two classes of net assets at the end of the period, net assets with donor restrictions and net assets without donor restrictions, rather than the currently required three classes. The standard also requires the presentation on the face of the statement of activities the amount of the change in each of these two classes of net assets. The entity will be required to provide enhanced disclosures about liquidity in the footnotes to the financial statements. The standard is effective for fiscal years beginning after December 15, 2017, and early adoption is permitted. The Foundation is currently evaluating the impact the standard will have on their financial statements.

FOUNDATION FOR INSPIRATION AND RECOGNITION OF  
SCIENCE & TECHNOLOGY IN TEXAS

Notes to Financial Statements

June 30, 2018 and 2017

NOTE C - GRANTS RECEIVABLE

Grants receivable include the following:

	2018	2017
Federal grant	<u>\$ 123,671</u>	<u>\$ 68,914</u>

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 up to \$250,000. The Foundation held \$7,421 in excess of amounts insured by the Federal Deposit Insurance Corporation at June 30, 2018.

The Foundation receives the majority of its revenue from one local government grant, comprising approximately 51% and 51% of total revenue for the years ended June 30, 2018 and 2017, respectively. A similar amount has been awarded for the subsequent fiscal year.

NOTE E - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2018	2017
For use in subsequent year	<u>\$ 45,429</u>	<u>\$ 180,255</u>

NOTE E - GIFTS-IN-KIND

During the years ended June 30, 2018 and 2017, the Foundation received \$64,800 and \$37,531, respectively, of donated computers for distribution to teams in its FIRST Engaging Underserved Youth in Robotics program.

**SUPPLEMENTAL  
INFORMATION**

FOUNDATION FOR INSPIRATION AND RECOGNITION OF  
 SCIENCE & TECHNOLOGY IN TEXAS  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2018

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>AS PASSED THROUGH TEXAS WORKFORCE COMMISSION</u>			
Temporary Assistance for Needy Families (TANF Cluster)	93.558	2916TAN000	\$ 163,308
Temporary Assistance for Needy Families (TANF Cluster)	93.558	2917TAN000	959,416
Total			<u>\$ 1,122,724</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, 2018

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, 2018. 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, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 4, 2019.

**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

February 4, 2019



**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, 2018. 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. Our audit does not provide a legal determination of the Foundation's compliance with those requirements.

## **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 each of its major federal programs for the year ended June 30, 2018.

## **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  
February 4, 2019

Foundation for Inspiration and Recognition of Science & Technology in Texas  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2018

**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, 2018

**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, 2018

There were no prior year findings.