

DAVIS SCHOOL DISTRICT

COMPLIANCE REPORTS

Year Ended June 30, 2019

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DAVIS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Pass-Through Entity Identifying Number	District's Program Number	Receivable (Unearned) June 30, 2018	Received	Expended	Receivable (Unearned) June 30, 2019
U.S. DEPARTMENT OF AGRICULTURE:							
Passed Through Utah State Board of Education:							
<i>Child Nutrition Cluster:</i>							
School Breakfast Program	10.553	SBP	8000	\$ 5,008	\$ 1,229,239	\$ 1,225,497	\$ 1,266
National School Lunch Program (Donated Commodities)	10.555	NSLF	8000	-	1,770,093	1,770,093	-
National School Lunch Program	10.555	NSLF	8000	138,695	7,977,311	7,960,081	121,465
Total Child Nutrition Cluster				143,703	10,976,643	10,955,671	122,731
Child and Adult Care Food Program	10.558	CAM/CIL	8012/8013	-	3,703	3,703	-
Fresh Fruit and Vegetable Program	10.582	FFVP	8000	-	106,118	106,118	-
Passed Through Davis County:							
<i>Forest Service Schools and Roads Cluster:</i>							
Schools and Roads - Grants to States	10.665	N/A	0010	-	23,605	23,605	-
Total U.S. Department of Agriculture				143,703	11,110,069	11,089,097	122,731
U.S. DEPARTMENT OF DEFENSE:							
Direct Programs:							
The Language Flagship Grants to Institutions of Higher Education	12.550		7326	8,707	113,859	105,152	-
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556		7327/7331	163,380	321,802	180,822	22,400
Total U.S. Department of Defense				172,087	435,661	285,974	22,400
U.S. DEPARTMENT OF EDUCATION:							
Passed Through Utah State Board of Education:							
<i>Special Education Cluster (IDEA):</i>							
Special Education Grants to States	84.027	FTFL	1200	2,397,388	9,706,134	10,875,874	3,567,128
Special Education Preschool Grants	84.173	PRE	7550	52,253	273,631	303,152	81,774
Total Special Education Cluster (IDEA)				2,449,641	9,979,765	11,179,026	3,648,902
Direct Programs:							
Impact Aid	84.041		0015/1220	-	771,667	771,667	-
Indian Education Grants to Local Educational Agencies	84.060		7322	-	42,697	63,100	20,403
Passed Through Utah State Board of Education:							
Adult Education - Basic Grants to States	84.002	SLDR	7583/7584/7585	200,744	474,871	435,999	161,872
Title I Grants to Local Educational Agencies	84.010	TIFT	7511	865,996	5,961,853	6,615,676	1,519,819
Migrant Education State Grant Program	84.011	MGFT	7548	-	-	1,064	1,064
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	NDAC	5202	14,695	82,918	68,223	-
Career and Technical Education - Basic Grants to States	84.048	FLEA	6900	573,681	792,630	611,109	392,160
Education for Homeless Children and Youth	84.196	MVFT	5272	17,641	55,003	37,362	-
Twenty-First Century Community Learning Centers	84.287	ASFT	7365/7366/7367	269,299	276,831	371,004	363,472
Special Education - State Personnel Development	84.323	SIGF	5615	-	9,713	14,176	4,463
English Language Acquisition State Grants	84.365	ELFT	7628	134,918	332,954	198,036	-
Supporting Effective Instruction State Grants	84.367	4AFT	7627/5611	516,245	1,351,677	918,337	82,905
Grants for State Assessments and Related Activities	84.369	AADM		440	440	-	-
Passed Through Utah State Department of Health:							
Special Education - Grants for Infants and Families	84.181	N/A	1299	-	443,177	443,177	-
Passed Through Weber State University:							
Research in Special Education	84.324	N/A	7555	-	37,416	37,416	-
Passed Through Utah State University:							
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	7635/7654/7655	117,631	382,314	415,172	150,489
Total U.S. Department of Education				5,160,931	20,995,926	22,180,544	6,345,549
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:							
<i>TANF Cluster:</i>							
Passed Through Utah State Board of Education:							
Temporary Assistance for Needy Families	93.558	PCA	5657	988,069	1,301,621	590,434	276,882
Passed Through Department of Workforce Services:							
Temporary Assistance for Needy Families	93.558	N/A	5654/5656	81,961	93,803	11,842	-
Total TANF Cluster				1,070,030	1,395,424	602,276	276,882
Passed Through Department of Workforce Services:							
<i>CCDF Cluster:</i>							
Child Care and Development Block Grant	93.575	N/A	5655	152,450	564,143	553,552	141,859
Direct Programs:							
Head Start	93.600		7314/7315/7318/7320	(91,159)	3,971,614	4,991,004	928,231
Total U.S. Department of Health and Human Services				1,131,321	5,931,181	6,146,832	1,346,972
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:							
Passed Through Ogden School District:							
AmeriCorps	94.006	N/A	7636	27,858	88,873	107,360	46,345
Total Corporation for National and Community Service				27,858	88,873	107,360	46,345
Total federal awards				\$ 6,635,900	\$ 38,561,710	\$ 39,809,807	\$ 7,883,997

DAVIS SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A. Basis for Presentation – The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Davis School District (the District) under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards* (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 financial position, or cash flows of the District.

Note B. Summary of Significant Accounting Policies – Expenditures reported on the Schedule are reported on the modified accrual basis of accounting as described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Donated food commodities are recorded at acquisition value in the *School Food Services Fund* as an inventory asset and federal revenue when received totaling \$1,770,093 for the year ended June 30, 2019. Donated food commodity inventories are recorded as expenditures in the *School Food Services Fund* when they are consumed by the schools; for purposes of the Schedule, donated food commodities are also recorded as expenditures when received.

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note C. Relationship to District’s Financial Statements – A reconciliation of federal revenue reported on the District’s basic financial statements and the schedule of expenditures of federal awards for the year ended June 30, 2019 is as follows:

General Fund	\$ 31,079,117
Debt Service Fund	937,091
School Food Services Fund (other governmental funds)	<u>11,065,491</u>
Total amount reported in the financial statements	43,081,699
Interest rate subsidy	(937,091)
Medical Assistance Program grant monies received through State of Utah Department of Health	<u>(2,334,801)</u>
Total federal revenue not included on schedule	<u>(3,271,892)</u>
Total federal revenue reported on the schedule of expenditures of federal awards (SEFA)	<u><u>\$ 39,809,807</u></u>

Note D. Subrecipients of Federal Awards – The District did not provide federal award funding to any subrecipient during the year ended June 30, 2019.



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*

Board of Education
Davis School District

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, business-type activities, each major fund, and the aggregate remaining fund information of Davis School District (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 14, 2019.

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) to determine the 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.

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 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Squire & Company, PC

Orem, Utah
November 14, 2019



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

Board of Education
Davis School District

Report on Compliance for Each Major Federal Program

We have audited the compliance of Davis School District (the District) 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 June 30, 2019.

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.

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 June 30, 2019.

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 the 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, business-type activities, each major fund, and the aggregate remaining fund information of Davis School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 14, 2019, which contained unmodified opinions on those basic 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. 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 basic 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 basic 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.

Squire & Company, PC

Orem, Utah
November 14, 2019

DAVIS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2019

No findings were reported in the prior year.

DAVIS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

I. Summary of auditor's results:

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

-Material weaknesses identified? ___ yes x no

-Significant deficiencies identified that are
not considered to be material weaknesses? ___ yes x none reported

Noncompliance material to financial statements noted? ___ yes x no

Federal Awards

Internal control over major programs:

-Material weaknesses identified? ___ yes x no

-Significant deficiencies identified that are
not considered to be material weaknesses? ___ yes x 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 2 CFR 200.156(a)? ___ yes x no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
	<i>Child Nutrition Cluster:</i>
10.553	School Breakfast Program
10.555	National School Lunch Program
93.600	Head Start

Dollar threshold used to distinguish between type A and type B programs: \$1,194,294

Auditee qualified as low-risk auditee? x yes ___ no

II. Financial statement findings:

No matters were reported.

III. Federal award findings and questioned costs:

No matters were reported.



Independent Auditor's Report on Compliance
and Report on Internal Control over Compliance
Required by the *State Compliance Audit Guide*

Board of Education
Davis School District

Report on Compliance

We have audited the compliance of Davis School District (the District) with the following applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2019.

Minimum School Program
Budgetary Compliance
Fund Balance
Utah Retirement Systems
School District Tax Levies
Open and Public Meetings Act
Public Treasurer's Bond
Cash Management

Management's Responsibility

Management is responsible for compliance with the state compliance requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance based on our audit of the state 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 *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement 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 state compliance requirement referred to above. However, our audit does not provide a legal determination of the District's compliance with those requirements.

Opinion on Compliance

In our opinion, Davis School District complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, 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 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 state compliance requirement 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 state compliance requirement 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 state compliance requirement 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 *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Squire & Company, PC

Orem, Utah
November 14, 2019