

PARK CITY SCHOOL DISTRICT

Compliance Reports

Year Ended June 30, 2021

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PARK CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	CFDA Number	Pass-Through Identifying Number	District's Program Number	Beginning Receivable (Unearned)	Received	Expended	Ending Receivable (Unearned)
U.S. DEPARTMENT OF AGRICULTURE:							
Passed through Utah State Board of Education:							
<i>Child Nutrition Cluster:</i>							
School Breakfast Program	10.553	SBP	8074	\$ 2,644	\$ 136,824	\$ 138,745	\$ 4,565
National School Lunch Program	10.555	ASSP	8075	-	10,230	10,324	94
National School Lunch Program	10.555	NSLF	8072	3,714	700,786	718,992	21,920
National School Lunch Program	10.555	NSLP	8071	469	104,470	106,758	2,757
National School Lunch Program (Commodities)	10.555	n/a	8001	-	107,387	107,387	-
Total Child Nutrition Cluster				6,827	1,059,697	1,082,206	29,336
Passed through State of Utah:							
<i>Forest Service Schools and Roads Cluster:</i>							
Schools and Roads - Grants to States	10.665	n/a	9999	-	85,790	85,790	-
Total U.S. Department of Agriculture				6,827	1,145,487	1,167,996	29,336
U.S. DEPARTMENT OF THE TREASURY:							
Passed through Utah State Board of Education:							
COVID-19 Coronavirus Relief Fund	21.019	CBG	7280	-	157,319	157,319	-
Passed through Summit County:							
COVID-19 Coronavirus Relief Fund	21.019	n/a	n/a	-	442,991	473,777	30,786
Total Coronavirus Relief Fund				-	600,310	631,096	30,786
Total U.S. Department of the Treasury				-	600,310	631,096	30,786
U.S. DEPARTMENT OF EDUCATION:							
Passed through Utah State Board of Education:							
<i>Special Education (IDEA) Cluster:</i>							
Special Education Grants to States	84.027	FTFL	7524	334,917	682,853	751,431	403,495
Special Education Preschool Grants	84.173	PRE	7522	18,384	19,637	20,870	19,617
Total Special Education Cluster				353,301	702,490	772,301	423,112
Education Stabilization Fund:							
COVID-19 Governor's Emergency Relief Fund	84.425C	GEER	7220	-	-	7,525	7,525
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	ESSR	7210/7215	-	189,935	214,074	24,139
Total Education Stabilization Fund				-	189,935	221,599	31,664
Adult Education - Basic Grants to States	84.002	SLDR	7582	-	-	-	-
Title I Grants to Local Education Agencies	84.010	T1FT	7801	87,534	237,562	257,748	107,720
Career and Technical Education - Basic Grants to States	84.048	FLEA	6043	35,554	35,554	-	-
Special Education - State Personnel Development	84.323	SIGF	7526	-	20,000	20,000	-
English Language Acquisition State Grants	84.365	ELFT	7880	45,679	78,064	48,852	16,467
Supporting Effective Instruction State Grants	84.367	2FT	7860	18,298	18,772	73,748	73,274
Student Support and Academic Enrichment Program	84.424	4AFT	7905	2,891	13,100	14,643	4,434
Passed through Utah Valley University:							
Career and Technical Education - Basic Grants to States	84.048	n/a	n/a	-	90,557	97,263	6,706
Total U.S. Department of Education				543,257	1,386,034	1,506,154	663,377
TOTAL FEDERAL AWARDS				<u>\$ 550,084</u>	<u>\$ 3,131,831</u>	<u>\$ 3,305,246</u>	<u>\$ 723,499</u>

The accompanying notes are an integral part of this schedule.

PARK CITY SCHOOL DISTRICT
Notes to the Schedule of Expenditures of Federal Awards

NOTE A – BASIS FOR PRESENTATION

The schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Park City School District (the District) under programs of the federal government for the year ended June 30, 2021. 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* (the Uniform Guidance). Because the Schedule presents only a selected portion of the District’s operations, it is not intended to and does not present the District’s financial position, changes in financial position, or cash flows.

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 *food services fund* as an inventory asset and federal revenue when received totaling \$107,387 for the year ended June 30, 2021. Donated food commodity inventories are recorded as expenditures in the *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 THE 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, 2021 is as follows:

General fund	\$ 2,223,040
Other governmental funds:	
Food services fund	<u>1,082,206</u>
Total federal revenue reported on schedule of expenditures and federal awards (SEFA)	<u>\$ 3,305,246</u>

NOTE D – SUBRECEIPIENTS OF FEDERAL AWARDS

The District did not provide federal award funding to any subrecipient during the year ended June 30, 2021.

NOTE E – DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)

As a response to the national emergency for the coronavirus disease (COVID-19) federal agencies and recipients of federal assistance funds donated personal protective equipment (PPE) to non-federal entities. In connection with that donation, the recipient must disclose the estimated value of the PPE, but such amounts are not included in the schedule of expenditures of federal awards. The District received donated PPE totaling \$246,660 during the year ended June 30, 2021.



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
Park City 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, each major fund, and the aggregate remaining fund information of Park City School District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 29, 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.

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 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
October 29, 2021



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
Park City School District

Report on Compliance for Each Major Federal Program

We have audited the compliance of Park City 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, 2021.

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* (the 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, 2021.

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, each major fund, and the aggregate remaining fund information of Park City School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 29, 2021, 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
October 29, 2021

PARK CITY SCHOOL DISTRICT
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021

No findings were reported in the prior year.

PARK CITY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiency identified	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weakness identified	No
Significant deficiency identified	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 Uniform Guidance 2 CFR 200.516(a):	No

Identification of Major Federal Programs

Name of Federal Program (CFDA Number)

COVID-19 Coronavirus Relief Fund (21.019)
Special Education Cluster:
 Special Education Grants to States (84.027)
 Special Education Preschool Grants (84.173)
Education Stabilization Fund:
 COVID-19 Governor’s Emergency Relief Fund (84.425C)
 COVID-19 Elementary and Secondary School Emergency Relief Fund (84.425D)

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION 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
Park City School District

Report on Compliance

We have audited the compliance of Park City 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, 2021.

- Budgetary Compliance
- Fund Balance
- Fraud Risk Assessment
- Tax Levy Revenue Recognition
- Minimum School Program – Unrestricted Programs
- Minimum School Program – Restricted Programs: Special Education, Teacher and Student Success Act, and Dual Immersion
- School District Tax Levies
- School Fees

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*. 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, Park City School District complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2021.

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
October 29, 2021