

**PARK CITY SCHOOL DISTRICT**

**Compliance Reports**

Year Ended June 30, 2019

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**PARK CITY SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	CFDA Number	Pass-Through Identifying Number	District's Program Number	Receivable (Unearned) June 30, 2018	Receipts	Expenditures	Receivable (Unearned) June 30, 2019
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>							
Passed through Utah State Board of Education:							
<i>Child Nutrition Cluster:</i>							
School Breakfast Program	10.553	SBP	8074	\$ 2,144	\$ 65,152	\$ 65,497	\$ 2,489
National School Lunch Program	10.555	ASSP	8075	257	16,251	16,216	222
National School Lunch Program	10.555	NSLF	8072	9,161	332,543	332,752	9,370
National School Lunch Program	10.555	NSLP	8071	2,333	111,483	111,459	2,309
National School Lunch Program (Commodities)	10.555	n/a	8001	-	69,898	69,898	-
Total Child Nutrition Cluster				13,895	595,327	595,822	14,390
Fresh Fruit and Vegetable Program (Commodities)	10.582	n/a	8001	-	52,750	52,750	-
Passed through State of Utah:							
<i>Forest Service Schools and Roads Cluster:</i>							
Schools and Roads - Grants to States	10.665	n/a	9999	-	78,486	78,486	-
Total U.S. Department of Agriculture				13,895	726,563	727,058	14,390
<b>U.S. DEPARTMENT OF EDUCATION:</b>							
Passed through Utah State Board of Education:							
<i>Special Education (IDEA) Cluster:</i>							
Special Education Grants to States	84.027	FTFL	7524	384,057	958,538	738,013	163,532
Special Education Preschool Grants	84.173	PRE	7522	-	-	19,109	19,109
Total Special Education Cluster				384,057	958,538	757,122	182,641
Adult Education - Basic Grants to States	84.002	SLDR	7582	-	-	4,200	4,200
Title I Grants to Local Education Agencies	84.010	T1FT	7801	136,470	161,785	245,124	219,809
Career and Technical Education - Basic Grants to States	84.048	FLEA	6043	35,320	35,320	40,106	40,106
Special Education - State Personnel Development	84.323	SIGF	7526	-	20,000	20,000	-
English Language Acquisition State Grants	84.365	ELFT	7880	21,392	37,234	48,887	33,045
Supporting Effective Instruction State Grants	84.367	2FT	7860	26,726	74,175	54,730	7,281
Total U.S. Department of Education				603,965	1,287,052	1,170,169	487,082
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:</b>							
Passed through Ogden City School District:							
AmeriCorps	94.006	n/a	7601	901	4,231	7,749	4,419
Total federal awards				\$ 618,761	\$ 2,017,846	\$ 1,904,976	\$ 505,891

Refer to accompanying notes.

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

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**Note A – Basis for Presentation**

Our 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, 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* (the Uniform Guidance). Because the Schedule presents only a selected portion of our operations, it is not intended to and does not present our 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 our 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 \$122,648 for the year ended June 30, 2019. 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.

We have 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 our basic financial statements and the schedule of expenditures of federal awards for the year ended June 30, 2019 is as follows:

General fund	\$ 1,256,404
Other governmental funds:	
Food services fund	<u>648,572</u>
Total federal revenue reported on schedule of expenditures and federal awards (SEFA)	<u><u>\$ 1,904,976</u></u>

**Note D – Subrecipients of Federal Awards**

We 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  
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, 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 October 4, 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.

Handwritten signature in black ink that reads "Agui & Company, PC". The signature is written in a cursive, flowing style.

Orem, Utah  
October 4, 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  
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, 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* (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, 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, each major fund, and the aggregate remaining fund information of Park City 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 October 4, 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.

*Aguirre & Company, P.C.*

Orem, Utah  
October 4, 2019

**PARK CITY SCHOOL DISTRICT**  
**Summary Schedule of Prior Audit Findings**  
Year Ended June 30, 2019

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No findings were reported in the prior year.

**PARK CITY SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
 Year Ended June 30, 2019

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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>Special Education Cluster:</i>
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants
84.010	Title I Grants to Local Education Agencies

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

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  
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, 2019.

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems
- School District Tax Levies
- Open and Public Meetings Act
- School Fees
- Minimum School Program

***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, 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.

*Aguirre & Company, PC*

Orem, Utah  
October 4, 2019