

PARK CITY SCHOOL DISTRICT

Compliance Reports

Year Ended June 30, 2023

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PARK CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program Title	ALN 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	\$ 4,822	\$ 53,332	\$ 49,915	\$ 1,405
National School Lunch Program	10.555	ASSP	8075	202	8,342	8,160	20
National School Lunch Program	10.555	NSLF	8072	30,359	283,435	260,035	6,959
National School Lunch Program	10.555	NSLP	8071	2,522	229,769	230,710	3,463
National School Lunch Program	10.555	SCA	8070	-	98,734	98,734	-
National School Lunch Program (Commodities)	10.555	n/a	8001	-	125,416	125,416	-
Total Child Nutrition Cluster				37,905	799,028	772,970	11,847
COVID-19 Pandemic EBT Administrative Costs	10.649	PEBT	8081	-	628	628	-
Passed through State of Utah:							
<i>Forest Service Schools and Roads Cluster:</i>							
Schools and Roads - Grants to States	10.665	n/a	9999	-	97,788	97,788	-
Total U.S. Department of Agriculture				37,905	897,444	871,386	11,847
U.S. DEPARTMENT OF THE TREASURY:							
Passed through Summit County:							
COVID-19 Coronavirus Relief Fund	21.019	n/a	n/a	(4,214)	-	4,214	-
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	513,796	802,200	779,547	491,143
COVID-19 Special Education Grants to States	84.027	APRI	7524	11,591	11,591	163,468	163,468
Special Education Preschool Grants	84.173	PRE	7522	16,802	21,945	25,852	20,709
COVID-19 Special Education Preschool Grants	84.173	ARPP	7522	2,061	2,061	11,399	11,399
Total Special Education Cluster				544,250	837,797	980,266	686,719
Education Stabilization Fund:							
COVID-19 Governor's Emergency Relief Fund	84.425C	GEER	7220/7230	207,294	207,294	-	-
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	ESSR	7210/7215	107,603	107,603	275,730	275,730
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	ARPF	7225	50,802	50,802	424,274	424,274
Total Education Stabilization Fund				365,699	365,699	700,004	700,004
Title I Grants to Local Education Agencies	84.010	T1FT	7801	130,161	179,324	173,010	123,847
Special Education - State Personnel Development	84.323	SIGF	7526	-	20,000	20,000	-
English Language Acquisition State Grants	84.365	ELFT	7880	15,291	15,291	52,170	52,170
Supporting Effective Instruction State Grants	84.367	2FT	7860	47,619	72,670	65,498	40,447
Student Support and Academic Enrichment Program	84.424	4AFT	7905	27,849	31,887	21,908	17,870
Passed through Utah Valley University:							
Career and Technical Education - Basic Grants to States	84.048	n/a	n/a	1,395	41,097	77,925	38,223
Total U.S. Department of Education				1,132,264	1,563,765	2,090,781	1,659,280
U.S. DEPARTMENT OF AGRICULTURE:							
Passed through Department of Workforce Services:							
<i>CCDF Cluster:</i>							
Child Care and Development Block Grant	93.575	n/a	7290	(190,012)	206,432	390,787	(5,657)
Total U.S. Department of Agriculture				(190,012)	206,432	390,787	(5,657)
TOTAL FEDERAL AWARDS				\$ 975,943	\$ 2,667,641	\$ 3,357,168	\$ 1,665,470

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, 2023. 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 \$125,416 for the year ended June 30, 2023. 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, 2023 is as follows:

General fund	\$ 2,583,570
Other governmental funds:	
Food services fund	<u>773,598</u>
Total federal revenue reported on schedule of expenditures and federal awards (SEFA)	<u><u>\$ 3,357,168</u></u>

NOTE D – SUBRECEIPIENTS OF FEDERAL AWARDS

The District did not provide federal award funding to any subrecipient during the year ended June 30, 2023.



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, 2023, 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 6, 2023.

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

November 6, 2023



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

Opinion on Each Major Program

We have audited Park City School District (the District)'s compliance 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, 2023. The District's federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and 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 Award* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether the noncompliance with compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not

identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 6, 2023, 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 6, 2023

PARK CITY SCHOOL DISTRICT
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

No findings were reported in the prior year.

PARK CITY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

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 (ALN Number)

Child Nutrition Cluster:

School Breakfast Program (10.553)

National School Lunch Program (10.555)

Education Stabilization Fund:

Governor’s Emergency Relief Fund (84.425C)

Elementary and Secondary School Emergency Relief Fund (84.425D)

American Rescue Plan - Elementary and Secondary School Emergency Relief Fund (84.425U)

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, 2023.

Budgetary Compliance
Fund Balance
Fraud Risk Assessment
Cash management
Open and Public Meetings Act
Internal Control Systems
Public Education Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions section of our report, Park City School District complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2023.

Basis for Qualified Opinion on Compliance

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. Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

As described below, the District did not comply with requirements regarding Public Education Program described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor

School fees – We noted the District did not obtain approval from the District’s board of education for all fees charged by the District as required by R277-407-6. We recommend that the District review the fees charged by the District and ensure it is meeting all applicable compliance requirements.

Views of responsible officials – The District will review its policies and internal controls and ensure timely action is taken when noncompliance is identified.

Compliance with such requirements is necessary, in our opinion, for District to comply with the requirements applicable to the Public Education Program.

Responsibilities of Management for Compliance

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

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the *State Compliance Audit Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of the *State Compliance Audit Guide* as a whole

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *State Compliance Audit Guide*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described below. Our opinion on compliance is not modified with respect to these matters.

Budgetary compliance – Utah Code 53G-7-36 requires that expenditures not be in excess of the total budgeted amounts. For the year ended June 30, 2023, the District exceeded budgeted expenditures in the *food services fund*, *student activities fund*, and *pass-through taxes fund*.

Cash management – Utah Code 51-7-14 requires the District to file a written report with the Utah Money Management Council containing information about the deposits and investments held by the District. We noted that the District omitted accounts of the Local Building Authority of Park City School District.

Views of responsible officials – The District will review its policies and internal controls and ensure timely action is taken when noncompliance is identified.

Government Auditing Standards requires the auditor to perform limited procedures on District's response to the noncompliance findings identified in our compliance audit described previously. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 a 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. We consider the deficiencies identified in the Basis for Qualified Opinion on Compliance paragraph to be material weaknesses:

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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 6, 2023