

Douglas County School District Single Audit Report

For Year Ended June 30, 2022



**Douglas County
School District Re 1**
620 Wilcox Street
Castle Rock, CO 80104
www.dcsdk12.org



Douglas County School District
Learn Today, Lead Tomorrow

DOUGLAS COUNTY SCHOOL DISTRICT RE.1
620 Wilcox Street
Castle Rock, Colorado 80104

SINGLE AUDIT REPORT
For the Year Ended June 30, 2022



Erin Kane
Superintendent

Prepared by:
Office of Business Services

Jana L. Schleusner
Interim Chief Financial Officer
Director of Finance

DOUGLAS COUNTY SCHOOL DISTRICT RE.1

Single Audit Report
June 30, 2022

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
Douglas County School District RE.1
Douglas County, Colorado

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Douglas County School District RE.1 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 7, 2022. Our report includes a reference to other auditors who audited the financial statements of the District's Charter Schools, discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on 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.

Board of Education
Douglas County School District RE.1

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 or significant deficiencies may exist that were not identified.

Report on 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 7, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education
Douglas County School District Re.1
Douglas County, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Douglas County School District Re.1's (the District) compliance with the types of compliance requirements identified as subject to audit 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, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' 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 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.

Auditors' 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 Uniform Guidance 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 each major 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 and any significant deficiencies and material weaknesses in internal control over compliance 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.

Board of Education
Douglas County School District Re.1

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have issued our report thereon, dated December 7, 2022, which contained unmodified opinions on those 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.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
February 24, 2023

Douglas County School District RE.1

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Treasury			
Pass-Through			
Colorado Department of Education			
COVID-19 - Workforce Sustainability Grant	21.027	7127	\$ 192,442
Total Department of Treasury			<u>192,442</u>
U.S. Department of Education			
Pass-Through			
Colorado Department of Education			
COVID-19 - ESSER I Fund	84.425D	4425	5,142
COVID-19 - ESSER II Fund	84.425D	4420	4,206,642
COVID-19 - ESSER II Supplemental	84.425D	4419	343,012
COVID-19 - ESSER III Fund	84.425U	4414	3,793,450
COVID-19 - ESSER III Set Aside - Learning Loss	84.425U	9414	3,522,546
COVID-19 - ESSER K-8 Mathematics Curricula Grant	84.425U	4431	159,381
COVID-19 - ESSER K-8 Mathematics Curricula Grant	84.425D	4445	21,411
COVID-19 - ARP-HCY I	84.425W	8425	12,500
COVID-19 - ARP-HCY II	84.425W	8426	5,813
Total ALN No. 84.425			<u>12,069,897</u>
Title I, Part A	84.010	4010	914,755
Title I, Part A - Homeless Set Aside	84.010	9202	190,999
Title I, Part A - Non-Public Set-Aside	84.010	9205	16,000
Title I, Part A - District Managed	84.010	9206	136,771
Title I, Part A - Parent Activities	84.010	9211	2,688
Total ALN No. 84.010			<u>1,261,213</u>
Title III, Part A: English Language Acquisition Grants	84.365	4365	215,427
Title II, Part A: Improving Teacher Quality	84.367	4367	477,756
Title IV-A: Student Support and Academic Enrichment	84.424	4424	142,563
Special Education Cluster:			
IDEA Part B: Special Education (IDEA, Part B)	84.027A	4027	9,215,268
COVID-19 - ARP IDEA Part B: Special Education (IDEA, Part B)	84.027X	6027	941,117
IDEA Part B: Special Education - Preschool	84.173A	4173	135,971
COVID-19 - ARP IDEA Part B: Special Education - Preschool	84.173X	6173	76,492
Total Special Education Cluster			<u>10,368,848</u>
Colorado Multi-Tiered System of Supports MTSS	84.323	5323	13,685
State Board for Community College and Occupational Education Career & Technical Education Grant	84.048	4048	210,496
Total Department of Education			<u>24,759,885</u>
U.S. Department of Health and Human Services			
Child Care Cluster:			
Direct			
Childcare Development & Block Grant	93.575	7575	1,498,644
Pass-Through			
Colorado State Department of Education			
CDPHE Testing Grant	93.323	7323	5,175
School Nurse Workforce Grant	93.354	7354	26,270
Total Department of Health and Human Services			<u>1,530,089</u>
U.S. Department of Agriculture			
Pass-Through			
Colorado Department of Education			
SNAP CN Local P-FBT	10.649	4649	7,430
Equipment Grant	10.579	5579	10,917
Child Nutrition Cluster:			
Pass-Through			
Colorado Department of Education			
Summer Food Program for Children	10.559	4559	886,737
National School Lunch Program	10.555	4555	1,015,326
Seamless Summer Breakfast	10.553	5553	3,114,504
Seamless Summer Lunch	10.555	5555	21,969,728
Total Child Nutrition Cluster			<u>26,986,295</u>
Total Department of Agriculture			<u>27,004,642</u>
Institute of Museum and Library Services			
State Library Program			
Pass-Through			
Colorado Department of Education			
LSTA ARPA Grant - State Library Program	45.310	7310	35,317
Total Institute of Museum and Library Services			<u>35,317</u>
Total Expenditures of Federal Awards			<u>\$ 53,522,375</u>

Douglas County School District RE. 1

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Douglas County School District RE. 1 (the District) for the year ended June 30, 2022. The schedule does not include the federal grant activity of the District's Charter Schools, discretely presented component units, for grants in which the District is not named as the fiscal agent. Charter Schools federal grant activity in which they are their own fiscal agent will be included in their separately issued audit. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the schedule. The information in this schedule is presented in accordance with the requirements of Title 2 CFR Part 200. *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedule presents only a select portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

Note 2. Significant Account Policies

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where in certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (food commodities) received during the year in the amount of \$1,015,326 from the U.S. Department of Agriculture passed through the State Department of Education and the State Department of Human Services - ALN No. 10.555. The commodities are recognized as expenditures when used by the schools and are valued at current market price.

Note 4. Subrecipients

For the year ended June 30, 2022, the District did not pass through any federal grants to subrecipients.

Note 5. Indirect Cost Rate

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

**DOUGLAS COUNTY SCHOOL DISTRICT NO. RE.1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425D, 84.425U, 84.425W	COVID-19 Elementary and Secondary School Relief Fund; COVID-19 American Rescue Plan – Elementary and Secondary Relief; COVID-19 American Rescue Plan – Elementary and Secondary School Relief – Homeless Children and Youth
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,605,671

Auditee qualified as low-risk auditee?

 x yes _____ no

**DOUGLAS COUNTY SCHOOL DISTRICT NO. RE.1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Prior Year Audit Findings

Douglas County School District Re. 1 respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2022.

Audit period: July 1, 2021 – June 30, 2022

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.

