
El Paso County School District No. 2 - Harrison

Federal Awards Supplemental Information
June 30, 2024

Independent Auditor's Reports

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Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Education
El Paso County School District No. 2 - Harrison

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 El Paso County School District No. 2 - Harrison (the "District") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 2, 2024, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 2, 2024. We did not audit the financial statements of James Irwin Charter Schools; The Vanguard School; or Atlas Preparatory School, Inc., which represent 100 percent of the assets, net position, and revenue of El Paso County School District No. 2 - Harrison's aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for James Irwin Charter Schools; The Vanguard School; and Atlas Preparatory School, Inc., is based solely on the reports of the other auditors. The financial statements of James Irwin Charter Schools; The Vanguard School; and Atlas Preparatory School, Inc. were not audited under *Government Auditing Standards*.

The accompanying schedule of expenditures of federal awards is presented for the purpose 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

December 2, 2024

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*

Independent Auditor's Report

To Management and the Board of Education
El Paso County School District No. 2 - Harrison

We have audited, in accordance with 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 basic financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of El Paso County School District No. 2 - Harrison (the "District") as of and for the year ended June 30, 2024 and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2024. Our report includes a reference to other auditors who audited the financial statements of Atlas Preparatory School, Inc.; The Vanguard School; and James Irwin Charter Schools as of and for the year ended June 30, 2024, as described in our report on El Paso County School District No. 2 - Harrison's financial statements. The financial statements of Atlas Preparatory School, Inc.; The Vanguard School; and James Irwin Charter Schools as of and for the year ended June 30, 2024 were not audited in accordance with *Government Auditing Standards*, and, accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with Atlas Preparatory School, Inc.; The Vanguard School; and James Irwin Charter Schools or that are reported on separately by those auditors who audited the financial statements of Atlas Preparatory School, Inc.; The Vanguard School; and James Irwin Charter Schools.

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 District'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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2024-001, that we consider to be a material weakness.

To Management and the Board of Education
El Paso County School District No. 2 - Harrison

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*.

The District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

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.



December 2, 2024

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance

Independent Auditor's Report

To the Board of Education
El Paso County School District No. 2 - Harrison

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited El Paso County School District No. 2 - Harrison's (the "District") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (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, 2024. 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.

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 the major federal programs for the year ended June 30, 2024.

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* (the "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 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.

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 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.

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.

To the Board of Education
El Paso County School District No. 2 - Harrison

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.

Plante & Moran, PLLC

December 2, 2024

El Paso County School District No. 2 - Harrison

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Federal Expenditures
Direct Programs:			
U.S. Department of Defense - Reserve Officer Training Corps (ROTC)	9001	12.001	\$ 41,464
U.S. Department of Education - Impact Aid	4041	84.041	<u>260,503</u>
Total Direct Programs			301,967
Clusters:			
Child Nutrition Cluster - U.S. Department of Agriculture:			
Passed through the State of Colorado Department of Education:			
School Breakfast Program	4553, 5553	10.553	965,087
National School Lunch Program	4555, 5555, 6555	10.555	3,234,704
Summer Food Service Program for Children	4559	10.559	112,619
Passed through the State of Colorado Department of Human Services -			
National School Lunch Program - Commodities and Entitlements	4555	10.555	<u>432,019</u>
Total Child Nutrition Cluster			4,744,429
Special Education Cluster - U.S. Department of Education -			
Passed through the State of Colorado Department of Education:			
Special Education Grants to States (IDEA, Part B)	4027	84.027	2,450,701
Special Education Preschool Grants (IDEA Preschool)	4173	84.173	<u>118,857</u>
Total Special Education Cluster			2,569,558
Forest Service Schools and Roads Cluster - U.S. Department of Agriculture -			
Passed through El Paso County, Colorado - Schools and Roads -			
Grant to States (National Forest Land Payments)	7665	10.665	<u>1,931</u>
Total clusters			7,315,918
Other federal awards:			
U.S. Department of Agriculture - Passed through Colorado Department of Agriculture -			
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grants	4649	10.649	6,180
U.S. Department of Health and Human Services - Passed through Colorado Department of Education -			
COVID-19 Public Health Emergency Response Cooperative Agreement for Emergency Response School Nurse Workforce	7354	93.354	121,447
U.S. Department of the Treasury - Passed through the State of Colorado Department of Education:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - Fund My Future FAFSA SLFRF	4112	21.027	88,569
COVID-19 Behavioral Health Care: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) Integration Services for Children	6127	21.027	15,569
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (AELA - Adult Education and Literacy Act)	9019	21.027	129,702
U.S. Department of Education:			
Passed through the Colorado Community College System -			
Career and Technical Education - Basic Grants to States (Perkins Grant)	4048	84.048	131,519
Passed through the State of Colorado Department of Education:			
Title I, Grants to Local Educational Agencies	4010, 6010, 7010, 9206, 9202, 9205, 9211	84.010	4,184,439
Title II, Part A, Supporting Effective Instruction State Grants - Improving Teacher Quality State Grants	4367	84.367A	557,483
Title III, Part A, English Language Acquisition Language Grants	4365, 7365	84.365A	172,840
Title IV, Part A, Student Support & Academic Enrichment Grants - Stronger Connections Grant Program	4421, 4422, 4424, 4451	84.424A	229,729
Title I, Part E, Elementary and Secondary - Striving Readers	5371	84.371C	<u>204,515</u>
Total Title Grants			5,349,006
COVID-19 ARP - Homeless Children and Youth (ARP-HCY II)			
COVID-19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund (ESSER II Program)	8426	84.425W	7,447
COVID-19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund (ESSER III Program)	4419, 4420, 4437, 4450	84.425D	248,002
COVID-19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund (ESSER III Program)	4414, 9414, 4418, 9418, 4430, 4431, 4449, 4438, 4457	84.425U	<u>14,960,038</u>
Total ESSER Programs			<u>15,215,487</u>
Total noncluster programs			<u>21,057,479</u>
Total federal awards			<u>\$ 28,675,364</u>

See notes to schedule of expenditures
of federal awards.

El Paso County School District No. 2 - Harrison

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of El Paso County School District No. 2 - Harrison (the "District") under programs of the federal government for the year ended June 30, 2024. 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 Audit Requirements for Federal Awards* (the "Uniform Guidance"). El Paso County School District No. 2 - Harrison granted approximately \$4,300,000 of the federal funds for the 2023-2024 fiscal year to component units, and actual component expenditures of approximately \$2,700,000 are reported in the schedule of expenditures of federal awards for the year ended June 30, 2024, as those were expenditures incurred by the component units during the year. The remaining amounts will be reported on the District's Schedule in the subsequent year when expended by the component units. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement and frequently asked questions, as outlined in the *Compliance Supplement*. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The pass-through entity identifying numbers are presented where available, and no subrecipient payments were identified at June 30, 2024.

The District has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Note 3 - Noncash Assistance

The value of the noncash assistance, commodities donated to the District by the U.S. Department of Agriculture (USDA), was determined in accordance with the provisions of the Uniform Guidance and is reported on the schedule of expenditures of federal awards.

Schedule of Findings and Questioned Costs

El Paso County School District No. 2 - Harrison

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? Yes X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
84.425U, 84.425D, 84.425W 84.027, 84.173	Education Stabilization Fund Special Education Cluster	Unmodified Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$860,261

Auditee qualified as low-risk auditee? Yes X No

El Paso County School District No. 2 - Harrison

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2024

Section II - Financial Statement Audit Findings

Reference Number	Finding
2024-001	<p>Finding Type - Material weakness</p> <p>Criteria - Preparation of the bank reconciliation is an integral component of the District's internal control structure. Bank reconciliations should be accurately prepared and reviewed on a monthly basis.</p> <p>Condition - The bank reconciliations for the District's primary operating account were not reconciled timely throughout the year. Similar conditions existed during the year ended June 30, 2023 (2023-002).</p> <p>Context - The bank reconciliations for the primary operating account for the entire year were not completed until September 2024.</p> <p>Cause - Due to the District's lack of resources and training within the business office, bank reconciliations were not prepared and reviewed timely throughout the year.</p> <p>Effect - Timely information on the general ledger cash balances for the primary operating account was not available throughout the year due to the untimely reconciliation of the bank account. Without timely cash reconciliations, there is a greater risk of errors or improper activity not being detected on a timely basis.</p> <p>Recommendation - We recommend that the business office review the bank reconciliation process, resource allocation of responsibilities within the business office, and training to ensure accurate and timely preparation and review of bank reconciliations.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The District is in agreement with this finding. The District is in the process of hiring additional resources and creating a process and controls to ensure the primary bank account reconciliation is accurately performed and completed timely. While the District is going through the hiring process, a third party is completing the primary operating account bank reconciliation. Management of the District is reviewing and approving the reconciliations performed by the third party. This process has been in place since July 1, 2024.</p>

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
Current Year	None	