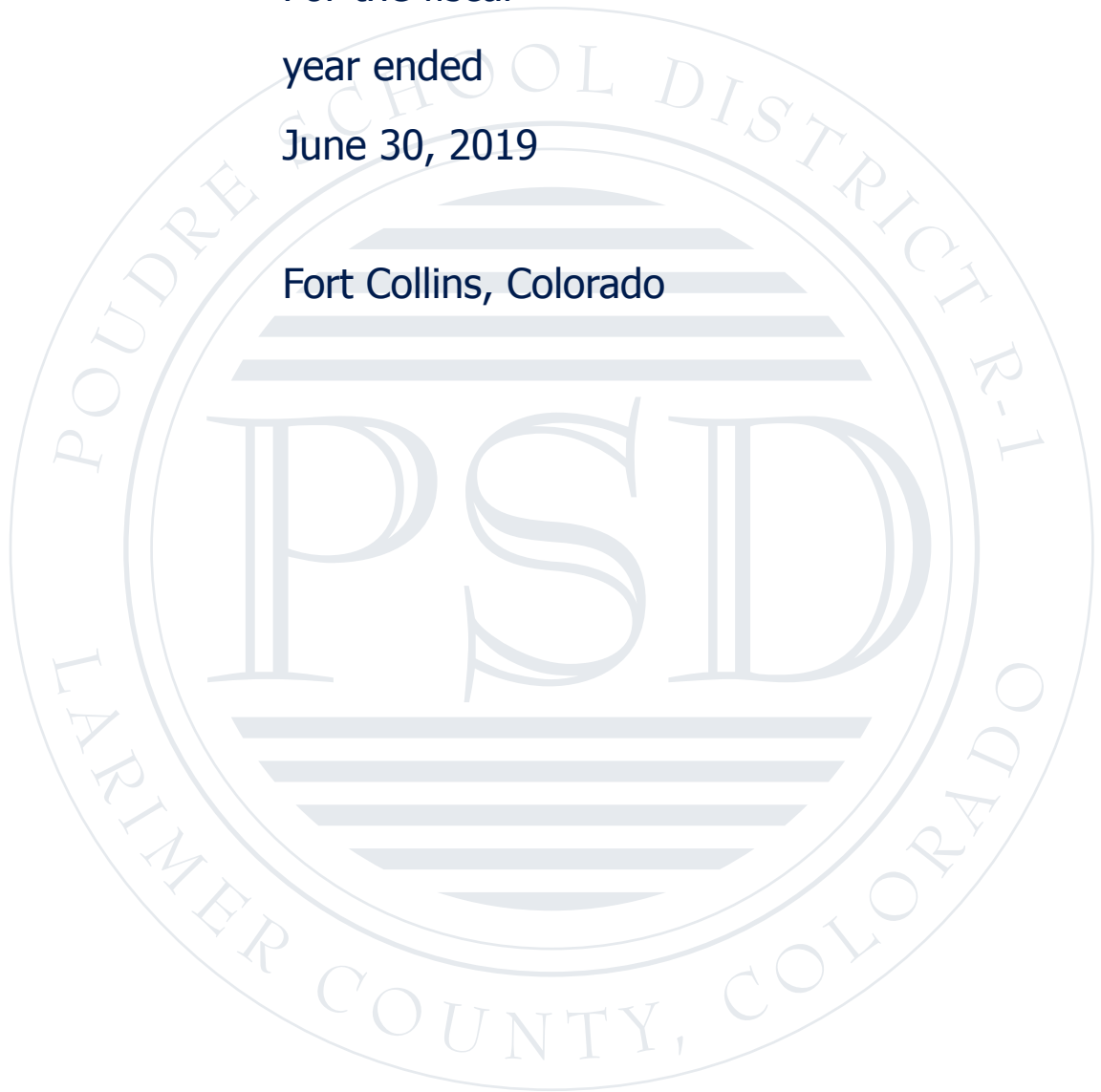




Single Audit Report **2019**

For the fiscal
year ended
June 30, 2019

Fort Collins, Colorado



2019 Single Audit
For the Fiscal Year Ended June 30, 2019

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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
Poudre School District
Fort Collins, 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 Poudre School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Poudre School District's basic financial statements, and have issued our report thereon dated December 10, 2019. Our report includes a reference to other auditors who audited the financial statements of Liberty Common School, Mountain Sage Community School, Fort Collins Montessori School, and Compass Community Collaborative School, as described in our report on Poudre School 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. The financial statements of Ridgeview Classical Schools, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Ridgeview Classical Schools.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Poudre School 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 Poudre School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Poudre School 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 Poudre School 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 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

Broomfield, Colorado
December 10, 2019



**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
Poudre School District
Fort Collins, Colorado

Report on Compliance for Each Major Federal Program

We have audited Poudre School 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 Poudre School District's major federal programs for the year ended June 30, 2019. Poudre School District's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Poudre School 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* (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 Poudre School 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 Poudre School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Poudre School 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 Poudre School 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 Poudre School 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 Poudre School 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 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 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Poudre School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Poudre School District’s basic financial statements. We issued our report thereon dated December 10, 2019, 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 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

Broomfield, Colorado
December 10, 2019

**POUDRE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

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

CFDA Number(s)

84.027, 84.173

Name of Federal Program or Cluster

Special Education Cluster (IDEA)

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

\$750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**POUDRE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

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).

**POUDRE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019**

Poudre School District respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2019.

Audit period: June 30, 2019

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

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.

If there are questions regarding this schedule, please call Kera Badalamenti, Controller at 970-490-3114.

**Poudre School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/Program-Title</u>	<u>CFDA Number</u>	<u>Grantor's Number</u>	<u>Pass Through Grant Number</u>	<u>Expenditures</u>	<u>Total Expenditures</u>
U.S. Department of Education					
<i>State of Colorado-Department of Education:</i>					
Title I Grants to Local Educational Agencies	84.010	N/A	4010	\$ 2,349,809	\$
Title I Grants to Local Educational Agencies	84.010	N/A	5010	358,273	
Title I Grants to Local Educational Agencies	84.010	N/A	6010	10,000	
Title I Grants to Local Educational Agencies	84.010	N/A	7010	<u>33,216</u>	
Subtotal					2,751,298
*Special Education Cluster:					
Special Education Grants to States	84.027	N/A	4027	4,974,519	
Special Education Preschool Grants	84.173	N/A	4173	<u>87,640</u>	
Subtotal Special Education Cluster					5,062,159
Education for Homeless Children and Youth	84.196	N/A	5196		37,300
Charter Schools	84.282	N/A	5282		263,659
Twenty-First Century Community Learning Centers	84.287	N/A	6287		238,825
English Language Acquisition State Grants	84.365	N/A	4365		143,622
Mathematics and Science Partnerships	84.366	N/A	5366		59,782
Supporting Effective Instruction State Grants	84.367	N/A	4367		363,814
Student Support and Academic Enrichment Program	84.424	N/A	4424		100,639
<i>Colorado Community College System:</i>					
Career and Technical Education - Basic Grants to States	84.048	N/A	4048		<u>145,498</u>
TOTAL U.S. DEPARTMENT OF EDUCATION					9,166,596
U.S. Department of Health and Human Services					
<i>Direct Program:</i>					
Head Start	93.600	08CH010247	8600		4,258,066
U.S. Department of Agriculture					
<i>Child Nutrition Cluster:</i>					
<i>State of Colorado-Department of Human Services</i>					
<i>Non-Cash Assistance (Commodities):</i>					
National School Lunch Program	10.555	N/A	4555	635,307	
<i>Colorado Department of Education</i>					
<i>Cash Assistance:</i>					
School Breakfast Program	10.553	N/A	4553	957,351	
National School Lunch Program	10.555	N/A	4555	3,337,460	
Special Milk Program for Children	10.556	N/A	4556	1,715	
Summer Food Service Program for Children	10.559	N/A	4559	<u>76,583</u>	
Subtotal - Child Nutrition Cluster					5,008,416
<i>Colorado Department of Public Health and Environment:</i>					
Child and Adult Care Food Program	10.558	N/A	4558		48,987
<i>Forest Service Schools and Road Cluster:</i>					
<i>Larimer County:</i>					
Schools and Roads - Grants to States	10.665	N/A	7665	<u>89,615</u>	
Subtotal - Forest Service Schools and Road Cluster					89,615
TOTAL U.S. DEPARTMENT OF AGRICULTURE					5,147,018
TOTAL FEDERAL ASSISTANCE					\$ <u>18,571,680</u>

Refer to Notes to Schedule of Expenditures of Federal Awards

*Major programs

NOTE 1: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the Poudre School District's Federal grant activity for the year-ended June 30, 2019. 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 or changes in net position of the District. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200. *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 3: CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER

The CFDA numbers were obtained from the Federal or pass-through grantor or the Catalog of Federal Domestic Assistance.

NOTE 4: INDIRECT COST RATE

The District did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

NOTE 5: NONCASH PROGRAMS

Commodities donated to the District by the U.S. Department of Agriculture (USDA) are valued based on the USDA's Donated Commodity Price List and by values provided by the USDA. The commodities are recognized as revenue and expenses when received totaling \$635,307.

NOTE 6: SUBRECIPIENTS

The District did not have subrecipients of federal awards for the year ended June 30, 2019.