

STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2
SINGLE AUDIT
YEAR ENDED JUNE 30, 2021

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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*

November 29, 2021

To the Board of Education
Steamboat Springs School District RE-2
Steamboat Springs, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Steamboat Springs School District RE-2 (the District), as of and for the year ended June 30, 2021, 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 29, 2021.

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*.



Board of Education
Steamboat Springs School District RE-2

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.

Chadwick, Steinkirchner, Davis & Co., P.C.

Chadwick, Steinkirchner, Davis & Co., P.C.



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE

December 28, 2021

Board of Education
Steamboat Springs School District RE-2
Steamboat Springs, Colorado

Report on Compliance for Each Major Federal Program

We have audited the Steamboat Springs School District RE-2 (the District) 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, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal



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program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Steamboat Springs School District RE-2, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 29, 2021, 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.

Chadwick, Steinkirchner, Davis & Co., P.C.

Chadwick, Steinkirchner, Davis & Co., P.C.

Steamboat Springs School District RE-2

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Assistance Number	Federal Expenditures
U.S. Department of Education			
Passed through State Department of Education			
ESSER I - COVID-19	4425	84.425D	\$ 93,888
Title I, Part A	4010	84.010	184,474
Title I, Part A Homeless Set Aside	9020	84.010	50
Title I, Part A	5010	84.010	48,842
	Total 84.010		<u>233,366</u>
Title III, Part A English Language Acquisition	4365	84.365	19,475
Title III, Part A, Set Aside English Language Acquisition	7365	84.365	8,085
	Total 84.365		<u>27,560</u>
Title II Improving Teacher Quality	4367	84.367	47,588
Title IV: Student Support and Academic Enrichment	4424	84.424A	10,000
Passed through State Board for Community College and Occupational Education			
Career & Technical Education Grant Title I	4048	84.048	9,715
TOTAL U.S. DEPARTMENT OF EDUCATION			<u><u>422,117</u></u>
U.S. Department of Agriculture			
Passed through State Department of Education			
School Breakfast Program - COVID-19	4553	10.553	368
National School Lunch Program - COVID-19	4555	10.555	83,833
Summer Food Service Program for Children - COVID-19	4559	10.559	613,817
Passed through State Department of Human Services			
Food Commodities	4555	10.555	43,002
Passed through Routt County			
Schools and Roads-Grants to States	7665	10.665	87,060
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u><u>828,080</u></u>
U.S. Department of Treasury			
Passed through State Department of Education			
Coronavirus Relief Fund (CRF) - COVID-19	4012	21.019	1,077,926
Coronavirus Relief Fund (CRF): K-12 At-Risk Pupils - COVID-19	5012	21.019	43,308
Coronavirus Relief Fund (CRF): School Preparation/Mitigation Funds - COVID-19	6012	21.019	25,000
	Total 21.019		<u>1,146,234</u>
TOTAL U.S. DEPARTMENT OF TREASURY			<u><u>1,146,234</u></u>
TOTAL FEDERAL EXPENDITURES			<u><u>\$ 2,396,430</u></u>

Steamboat Spring School District RE-2

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2021

NOTE A – GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal award programs of the Steamboat Springs School District RE-2 (the District). The District's reporting entity is defined in Note A to the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Indirect costs

The District did not elect to use the 10% de minimis indirect cost rate.

Pass-through entities

The District did not pass-through any federal funds to other entities for the year ended June 30, 2021.

Commodities

Commodities donated to the District by the U.S. Department of Agriculture (USDA) of \$43,002 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch program (10.555).

10.555 Commodities	\$ 43,002
10.555 National School Lunch Program	<u>83,833</u>
Total	<u>\$ 126,835</u>

Total expenditures for the Child Nutrition Cluster are as follows:

10.553 School Breakfast Program	\$ 368
10.555 National School Lunch Program	126,835
10.559 Summer Food Service Program for Children	<u>613,817</u>
Total	<u>\$ 741,020</u>

NOTE B – BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting.

Steamboat Springs School District RE-2

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified? _____ yes ✓ no

Significant deficiency(ies) identified

not considered to be material weaknesses? _____ yes ✓ none reported

Noncompliance material to financial statements noted? _____ yes ✓ no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? _____ yes ✓ no

Significant deficiency(ies) identified

not considered to be material weaknesses? _____ yes ✓ none reported

Type of auditor's report issued on compliance for major programs:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516? _____ yes ✓ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

21.019

Coronavirus Relief Fund (COVID-19)

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

\$ 750,000

Auditee qualified as low-risk auditee? _____ yes ✓ no

Steamboat Springs School District RE-2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2021

SECTION II - FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING
STANDARDS

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

Steamboat Springs School District RE-2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2021

There were no prior year audit findings.