
Joint School District No. 28-J of the Counties
of Adams and Arapahoe, Colorado

Federal Awards Supplemental Information
June 30, 2025

Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado

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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
Joint School District No. 28-J of the Counties
of Adams and Arapahoe, Colorado

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 Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (the "School District") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated November 14, 2025, 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 November 14, 2025.

We did not audit the financial statements of Aurora Academy; Aurora Science and Tech of Denver School of Science and Technology, Inc.; AXL Charter School; Global Village Academy; Lotus School for Excellence; Rocky Mountain Preparatory School at Fletcher; Vanguard Classical School; or Vega Collegiate Academy, which represent 96.29 percent and 97.30 percent of the assets and revenue, respectively, of Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado'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 Aurora Academy; Aurora Science and Tech of Denver School of Science and Technology, Inc.; AXL Charter School; Global Village Academy; Lotus School for Excellence; Rocky Mountain Preparatory School at Fletcher; Vanguard Classical School; and Vega Collegiate Academy, is based solely on the reports of the other auditors.

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 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 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 financial statements or to the 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 17, 2025

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
Joint School District No. 28-J of the Counties
of Adams and Arapahoe, Colorado

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (the "School District") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 14, 2025. Our report includes a reference to other auditors who audited the financial statements of Aurora Academy; Aurora Science and Tech of Denver School of Science and Technology, Inc.; AXL Charter School; Global Village Academy; Lotus School for Excellence; Rocky Mountain Preparatory School at Fletcher; Vanguard Classical School; and Vega Collegiate Academy as of and for the year ended June 30, 2025. This report does not include the results of the other auditor's 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 School 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 School 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. 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 have not been identified.

To Management and the Board of Education
Joint School District No. 28-J of the Counties
of Adams and Arapahoe, Colorado

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 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 School 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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



November 14, 2025

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
Joint School District No. 28-J of the Counties
of Adams and Arapahoe, Colorado

Report on Compliance for Each Major Federal Program

Adverse and Unmodified Opinions on Each Major Federal Program

We have audited Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado's (the "School 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 School District's major federal programs for the year ended June 30, 2025. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Adverse Opinion on Student Financial Assistance Cluster

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse and Unmodified Opinions* section of our report, the School District did not comply, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Student Financial Assistance Cluster for the year ended June 30, 2025.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2025.

Basis for Adverse and Unmodified Opinions

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* 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 School 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 adverse and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

To the Board of Education
 Joint School District No. 28-J of the Counties
 of Adams and Arapahoe, Colorado

Matters Giving Rise to Adverse Opinion on Student Financial Assistance Cluster

As described in Findings 2025-001 through 2025-010 in the accompanying schedule of findings and questioned costs, the School District did not comply with requirements regarding the following:

| Finding # | ALN | Cluster Name | Compliance Requirement |
|------------------|------------|--------------------------------------|---|
| 2025-001 | 84.063 | Student Financial Assistance Cluster | Eligibility |
| 2025-002 | 84.063 | Student Financial Assistance Cluster | Eligibility |
| 2025-003 | 84.063 | Student Financial Assistance Cluster | Special Test (Enrollment Reporting) |
| 2025-004 | 84.063 | Student Financial Assistance Cluster | Special Test (Return of Title IV Funds) |
| 2025-006 | 84.063 | Student Financial Assistance Cluster | Special Test (Disbursements) |

Compliance with such requirements is necessary, in our opinion, for the School District to comply with the requirements applicable to that program.

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 School 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 School 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 School 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 School 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 School 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 School 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.

To the Board of Education
Joint School District No. 28-J of the Counties
of Adams and Arapahoe, Colorado

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 have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 of those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 2025-001 through 2025-010 to be material weaknesses.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the School District's responses to the internal control over compliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The School District's responses were not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on them.

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 17, 2025

**Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado
Schedule of Expenditures of Federal Awards
June 30, 2025**

| Federal Grantor/Pass-through Grantor/Program or Cluster Title | Assistance Listing Number | Pass-through Identifying Number | 2024-2025 Federal Expenditures |
|---|---------------------------------|---------------------------------------|--------------------------------------|
| <u>U.S. Department of Agriculture</u> | | | |
| Passed through Colorado Department of Education: | | | |
| <u>Child Nutrition Cluster</u> | | | |
| School Breakfast Program | 10.553 | 4553 | \$ 6,142,663 |
| Summer Food Service Program for Children | 10.559 | 4559 | 916,153 |
| Passed through Colorado Department of Education: | | | |
| <u>Child Nutrition Cluster</u> | | | |
| National School Lunch Program | 10.555 | 4555 | 18,313,613 |
| Passed through Colorado Department Human Services: | | | |
| <u>Child Nutrition Cluster</u> | | | |
| National School Lunch Program | 10.555 | 4555 | <u>2,468,656</u> |
| Total National School Lunch Program | | | 20,782,269 |
| Total Child Nutrition Cluster | | | 27,841,085 |
| Passed through Colorado Department of Education: | | | |
| Summer Electronic Benefit Transfer Program for Children | 10.646 | 4646 | <u>900</u> |
| Passed through Colorado Department of Public Health & Environment: | | | |
| Child and Adult Care Food Program | 10.558 | 4558 | <u>1,483,248</u> |
| U.S. Department of Agriculture Total | | | <u>29,325,233</u> |
| <u>U.S. Department of Education</u> | | | |
| Direct: | | | |
| Indian Education - Grants to Local Education Agencies | 84.060 | N/A | <u>13,506</u> |
| <u>Student Financial Assistance Cluster</u> | | | |
| Federal Supplementary Educational Opportunity Grants | 84.007 | N/A | 20,291 |
| Federal Work-Study Program | 84.033 | N/A | 20,608 |
| Federal Pell Grant Program | 84.063 | N/A | <u>1,933,797</u> |
| Total Student Financial Assistance Cluster | | | <u>1,974,696</u> |
| Passed through Colorado Department of Education: | | | |
| <u>Special Education Cluster</u> | | | |
| Special Education - Grants to States | 84.027A | 4027 | 8,938,218 |
| Special Education - Grants to States | 84.027 | 5027 | <u>1,668</u> |
| Total Special Education - Grants to States | | | 8,939,886 |
| Special Education - Preschool Grants | 84.173A | 4173 | <u>219,077</u> |
| Total Special Education - Preschool Grants | | | 219,077 |
| Total Special Education Cluster | | | <u>9,158,963</u> |
| Title I Grants to Local Educational Agencies | 84.010 | 4010, 5010 & 7010 | \$ 17,535,435 |
| Title I Part C - Migrant Education State Grant Program | 84.011 | 4011 | 1,519,527 |
| Title I, Career and Technical Education - Basic Grants to States | 84.048 | 4048 | 505,998 |
| Title I, Career and Technical Education - Basic Grants to States Charter Schools | 84.048 | 5048 | 226,229 |
| Special Education - State Personnel Development | 84.282D | 5283 | 214,103 |
| | 84.323 | 5323 | 26,684 |
| English Language Acquisition Grants | 84.365 | 4365 & 5365 & 6365 & 7365 | 1,601,559 |
| Title II Part A - Supporting Effective Instruction State Grants | 84.367 | 4367 | 1,652,829 |
| Comprehensive Literacy Development | 84.371C | 5371 | 812,728 |
| Title IV | 84.424A | 4424 | 562,774 |
| Title IV Stronger Connections Grant Program (SCG) | 84.424F | 4451 | <u>211,616</u> |
| Total Title IV | | | 774,390 |

The accompanying notes are an integral part of this Schedule.

**Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado
Schedule of Expenditures of Federal Awards
June 30, 2025**

| Federal Grantor/Pass-through Grantor/Program or Cluster Title | Assistance Listing Number | Pass-through Identifying Number | 2024-2025 Federal Expenditures |
|--|---------------------------------|---------------------------------------|--------------------------------------|
| <u>Passed through Colorado Department of Education (continued):</u> | | | |
| COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - ARP 9.5% State Set-Aside Supplemental Learning Loss) | 84.425U | 9418 | 54,100 |
| COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - ARP 9.5% State Set-Aside, Early-Ser Edu Mentoring Program) | 84.425U | 4436 | 14,089 |
| Total Education Stabilization Fund | | | 68,189 |
| U.S. Department of Education Total | | | 36,084,836 |
| <u>U.S. Department of Health and Human Services</u> | | | |
| <u>Passed through Colorado Department of Education:</u> | | | |
| Drug Free Communities Support Program | 93.276 | 7276 | 161,488 |
| Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | 7354 | 75,415 |
| U.S. Department of Health and Human Services Total | | | 236,903 |
| <u>U.S. Department of Treasury</u> | | | |
| <u>Passed through Colorado Community Colleges System:</u> | | | |
| COVID-19 - Workforce Innovation Grant: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) | 21.027 | 7127 | 189,284 |
| <u>Passed through Colorado Office of Economic Development & International Trade</u> | | | |
| COVID-19 - Workforce Innovation Grant: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) | 21.027 | 7130 | 19,727 |
| <u>Passed through The Board of County Commissioners of the County of Adams, State of Colorado</u> | | | |
| COVID-19 - Workforce Innovation Grant: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) | 21.027 | 8127 | 37,650 |
| U.S. Department of Treasury Total | | | 246,661 |
| <u>Other Federal Assistance</u> | | | |
| Air Force Jr. ROTC | 12.000 | | 132,850 |
| Total Expenditures of Federal Awards | | | \$ 66,026,483 |

The accompanying notes are an integral part of this Schedule.

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (the "School District") under programs of the federal government for the year ended June 30, 2025. 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"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual 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. The pass-through entity identifying numbers are presented where available.

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

Note 3 - Noncash Assistance

The School District receives food commodities from the U.S. Department of Agriculture for use in its food service program. The commodities are recognized as revenue when received and are recorded at fair value at the time of receipt. The commodities are recognized as expenditures when used by schools. The majority of the commodities are stored at individual schools instead of a central warehouse. As such, the School District has determined that the title to the commodities passes to the district upon receipt of the commodities. Since the School District has received title to the commodities, the unused commodities are not reflected as unearned revenue. The commodities are reported under the National School Lunch Program (Assistance Listing Number 10.555) on the Schedule. The School District recognized noncash awards of \$2,468,656 for the year ended June 30, 2025.

Schedule of Findings and Questioned Costs

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

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? _____ Yes X 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? X Yes _____ 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)? X Yes _____ No

Identification of major programs:

| Assistance Listing Number | Name of Federal Program or Cluster | Opinion |
|------------------------------|--|------------|
| 84.010 | Title I Grants to Local Educational Agencies | Unmodified |
| 84.007, 84.033, 84.063 | Student Financial Assistance Cluster | Adverse |

Dollar threshold used to distinguish between type A and type B programs: \$1,980,794

Auditee qualified as low-risk auditee? X Yes _____ No

Section II - Financial Statement Audit Findings

| Reference Number | Finding |
|---------------------|---------|
| Current Year | None |

Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings

| Reference Number | Finding | Questioned Costs |
|------------------|--|------------------|
| 2025-001 | <p>Assistance Listing Number, Federal Agency, and Program Name - Student Financial Assistance Cluster - Federal Pell Grants ALN 84.063</p> <p>Federal Award Identification Number and Year - Various</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Material weakness and material noncompliance with laws and regulations</p> <p>Repeat Finding - No</p> <p>Criteria - Each year, based on the maximum Pell Grant established by Congress, the Department of Education provides to institutions payment and disbursement schedules for determining Pell Grant awards. The payment schedule provides the maximum scheduled award a student would receive for a full academic year as a full-time student based on the student aid index (SAI) and cost of attendance (COA). The disbursement schedules are used to determine annual awards for different enrollment intensities. All schedules, however, are based on a school operating a credit-hour program. Per Volume 7, Chapter 4 of the Student Financial Aid Handbook, under a clock-hour program, all students are considered full-time students (100 percent intensity) in terms of financial aid calculations unless they are attending less than half-time (0-40 percent intensity).</p> <p>Condition - The School District awarded aid to students using the full-time, three-quarter-time, half-time, etc. schedule and improperly recorded students under a credit program versus appropriately recording them under a clock-hour program, for which students would have been considered full-time in their enrollment status if they did not attend less than half-time.</p> <p>Questioned Costs - Unknown</p> <p>If Questioned Costs Are Not Determinable, Description of Why Known Questioned Costs Were Undetermined or Otherwise Could Not Be Reported - The School District does not maintain accurate cost of attendance calculations needed in order to determine the amount of the financial aid to be awarded to students.</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context - Of the 40 students tested, 33 students were provided Pell Grants using the three-quarter-time or half-time schedules and were not considered full-time students (100 percent intensity) in terms of financial aid awards.</p> <p>Cause and Effect - The School District did not follow financial aid guidelines for clock-hour programs accurately, treating students as three-quarter-time or half-time instead of full-time for financial aid awards. The institution underawarded Pell Grant funds to eligible students, potentially impacting their ability to afford educational expenses.</p> | None |

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|-------------------------|---|---------------------|
| 2025-001 (Continued) | <p>Recommendation - We recommend the institution implement policies and procedures that follow clock-hour institution guidelines to ensure Pell Grant awards are accurately calculated. Staff should receive training on award recalculation procedures and system validation tools.</p> <p>Views of Responsible Officials and Corrective Action Plan - The School District agrees with the finding. The School District has consulted with its third-party vendor to begin processing the maximum Pell Grant awards to all eligible students. This began in fall 2025.</p> | |

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|---------------------|---|---------------------|
| 2025-002 | <p>Assistance Listing Number, Federal Agency, and Program Name - Student Financial Assistance Cluster - Federal Pell Grants ALN 84.063</p> <p>Federal Award Identification Number and Year - Various</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Material weakness and material noncompliance with laws and regulations</p> <p>Repeat Finding - No</p> <p>Criteria - Per the Student Financial Aid Handbook Volume 3, Chapter 2, school districts must establish and maintain accurate cost of attendance (COA) components, including both direct and indirect costs, to determine student eligibility and award amounts for Title IV aid. The COA must reflect reasonable estimates of expenses students are likely to incur. Per the Student Financial Aid Handbook, Volume 3, Chapter 3, financial aid awarded to students, including federal and nonfederal aid, is limited to the student's calculated cost of attendance.</p> <p>Condition - The School District did not utilize the cost of attendance when determining the maximum amount of aid a student is eligible to receive. The School District also does not maintain updated cost of attendance calculations for its programs.</p> <p>Questioned Costs - Unknown</p> <p>If Questioned Costs Are Not Determinable, Description of Why Known Questioned Costs Were Undetermined or Otherwise Could Not Be Reported - The School District does not maintain accurate cost of attendance calculations needed in order to determine the amount of the financial aid to be awarded to students.</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context - The cost of attendance was not updated since 2014 for some programs, therefore, creating the inability to recalculate the award determination for student's financial aid.</p> <p>Cause and Effect - The School District lacked a formal process for annually reviewing and updating indirect cost estimates within the Campus Ivy portal and did not utilize the COA in determining the maximum award students maybe eligible for. Not utilizing the COA in award determinations may have led to improper distributions of Pell Grants.</p> | None |

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|-------------------------|---|---------------------|
| 2025-002 (Continued) | <p>Recommendation - We recommend the School District implement a documented process for annually reviewing and updating all components of the cost of attendance, including indirect costs. This process should include market research, student surveys, and coordination with institutional departments to ensure estimates are reasonable and support accurate aid packaging. We also recommend the School District adopt policies and procedures to account for the COA when calculating Pell Grant awards.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The School District agrees with the finding. The School District is developing a documented annual process to review and update all components of the cost of attendance, including indirect costs, using market research, student input, and coordination with relevant departments. The School District is also revising its policies and procedures to ensure the cost of attendance is properly applied when calculating Pell Grant awards. These updates will support more accurate aid packaging and ongoing compliance with federal requirements.</p> | |

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|------------------|--|------------------|
| 2025-003 | <p>Assistance Listing Number, Federal Agency, and Program Name - Student Financial Assistance Cluster - Federal Pell Grants ALN 84.063</p> <p>Federal Award Identification Number and Year - Various</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Material weakness and material noncompliance with laws and regulations</p> <p>Repeat Finding - No</p> <p>Criteria - Per 34 CFR 690.83(b), changes in a student's status are required to be reported to the National Student Loan Data System (NSLDS) within 30 days of the change or included in a student status confirmation report sent to the NSLDS within 60 days of the status change.</p> <p>Condition - The School District did not report the status changes of certain students to the NSLDS in an accurate and timely manner during the fiscal year.</p> <p>Questioned Costs - None</p> <p>If Questioned Costs Are Not Determinable, Description of Why Known Questioned Costs Were Undetermined or Otherwise Could Not Be Reported - Noncompliance with reporting requirements, no direct financial impact identified.</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context -There were four errors identified that were attributed to this finding.</p> <p>1) The School District relied on a third-party service to report information to the NSLDS and did not verify the information reported by the third-party for accuracy.</p> <p>2) Of the 48 students tested, there were 47 students who withdrew/graduated whose status change was not accurately reported to the NSLDS.</p> <p>3) Of the 48 students tested, there were 5 students whose status did not agree between the campus level data and program level data reported to the NSLDS.</p> <p>4) Of the 48 students tested, there was 1 student who graduated whose status was unable to be located in the NSLDS system.</p> <p>Cause and Effect - The School District did not have a control in place to ensure all enrollment changes are reported accurately to the NSLDS. As a result, certain student status changes were not reported to the NSLDS in an accurate manner.</p> | None |

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|-------------------------|---|---------------------|
| 2025-003 (Continued) | <p>Recommendation - The School District should implement controls to ensure student status changes are reported accurately to the NSLDS. These controls should include a thorough review of the enrollment rosters prior to reporting to the NSLDS.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The School District agrees with the finding. The School District is implementing enhanced controls to ensure all student status changes are accurately reported to NSLDS, including a detailed review of enrollment rosters prior to submission. Staff have received updated guidance on the new procedures, and the School District will conduct periodic checks to verify ongoing accuracy and compliance.</p> | |

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|------------------|--|------------------|
| 2025-004 | <p>Assistance Listing Number, Federal Agency, and Program Name - Student Financial Assistance Cluster - Federal Pell Grant Program ALN 84.063</p> <p>Federal Award Identification Number and Year - Various</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Material weakness and material noncompliance with laws and regulations</p> <p>Repeat Finding - No</p> <p>Criteria - Per 34 CFR 668.22 (a)(1) through (a)(5), when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV assistance earned by the student as of the student's withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs, and no additional disbursements may be made to the student for the payment period or period of enrollment. If the amount the student earned is greater than the amount disbursed, the difference between the amounts must be treated as a postwithdrawal disbursement.</p> <p>Condition - The School District does not calculate or process any postwithdrawal disbursements for students that have withdrawn from the institution.</p> <p>Questioned Costs - Unknown</p> <p>If Questioned Costs Are Not Determinable, Description of Why Known Questioned Costs Were Undetermined or Otherwise Could Not Be Reported - The School District does not maintain accurate cost of attendance calculations needed in order to determine the amount of the postwithdrawal disbursements for students who withdrew during the fiscal year.</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context - During our discussion and testing of Return of Title IV Funds (R2T4) calculations, we identified that the institution did not process or offer postwithdrawal disbursements to students who withdrew prior to the 60 percent mark of the semester in which tuition is charged to the student account. We identified two students from the population of withdrawn students who withdrew after the start of the semester and before tuition was applied. Although the students incurred costs, such as transportation, housing, books, etc., the School District did not process postwithdrawal disbursements for the students.</p> | None |

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|-------------------------|--|---------------------|
| 2025-004 (Continued) | <p>Cause and Effect - The institution’s R2T4 procedures did not include a review for postwithdrawal disbursement eligibility. Staff were unaware of the requirement to offer and process postwithdrawal disbursements for earned aid. Eligible students did not receive Title IV funds they had earned prior to withdrawal, resulting in potential underfunding and noncompliance with federal regulations.</p> <p>Recommendation - We recommend the School District revise its R2T4 procedures to include a formal review for postwithdrawal disbursement eligibility and ensure timely notification and processing of earned aid. Staff should be trained on federal requirements related to postwithdrawal disbursements.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The School District agrees with the finding. The School District is revising its R2T4 procedures to include a formal review of postwithdrawal disbursement eligibility and will ensure timely notification and processing of any earned aid. Staff are being trained on applicable federal requirements and the updated procedures to maintain full compliance.</p> | |

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|------------------|---|------------------|
| 2025-005 | <p>Assistance Listing Number, Federal Agency, and Program Name - Student Financial Assistance Cluster - Federal Pell Grant Program ALN 84.063</p> <p>Federal Award Identification Number and Year - Various</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Material weakness</p> <p>Repeat Finding - No</p> <p>Criteria - Per 34 CFR 668.164(l), when students are issued a check for aid earned in excess of tuition and fees collected by the School District, students have 240 days to cash the check. Any uncashed funds after 240 days must be returned to the Department of Education and cannot be escheated to the State.</p> <p>Condition - The institution's policy maintains that any uncashed check must be escheated to the State of Colorado after the financial statement year end to the Great Colorado Payback program and does not include a carveout for uncashed Title IV aid checks.</p> <p>Questioned Costs - None</p> <p>If Questioned Costs Are Not Determinable, Description of Why Known Questioned Costs Were Undetermined or Otherwise Could Not Be Reported - No outstanding disbursements beyond 240 days were identified during the audit period, and no funds were escheated to the State during the period under audit.</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context - The School District maintains a written policy that directs unclaimed Title IV funds to be returned to the State of Colorado through the Great Colorado Payback program, rather than to the U.S. Department of Education as required under federal regulations. During fiscal year 2024, there were no uncashed checks after the 240 time period, and, therefore, no funds were reverted to the State of Colorado.</p> <p>Cause and Effect - The School District was unaware of the specific regulatory requirement and had not updated its disbursement policy to reflect current federal guidelines. Although no disbursements were made in violation during the audit period, the institution's policy is noncompliant with the Uniform Guidance.</p> <p>Recommendation - We recommend the institution revise its disbursement policy to align with the requirement that all uncashed Title IV funds be reverted to the Department of Education. Staff responsible for financial aid disbursements should be trained on federal timing requirements.</p> | None |

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|-------------------------|--|---------------------|
| 2025-005 (Continued) | Views of Responsible Officials and Planned Corrective Actions - The School District agrees with the finding. The School District is revising its disbursement policy to ensure all uncashed Title IV funds are returned to the Department of Education in accordance with federal requirements. Staff responsible for financial aid disbursements are receiving training on federal timing and return-of-funds requirements to ensure accurate and compliant processing moving forward. | |

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|------------------|---|------------------|
| 2025-006 | <p>Assistance Listing Number, Federal Agency, and Program Name - Student Financial Assistance Cluster - Federal Pell Grant Program ALN 84.063</p> <p>Federal Award Identification Number and Year - Various</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Material weakness and material noncompliance with laws and regulations</p> <p>Repeat Finding - No</p> <p>Criteria - Per 34 CFR 668.164(h), when a Title IV credit balance occurs, the School District must pay the credit balance directly to the student or parent no later than 14 calendar days after the balance is created unless the School District obtains a voluntary authorization from the student to hold the Title IV credit balance.</p> <p>Condition - The institution did not reimburse students with credit balances within 14 days of the balance being posted to their student ledger.</p> <p>Questioned Costs - None</p> <p>If Questioned Costs Are Not Determinable, Description of Why Known Questioned Costs Were Undetermined or Otherwise Could Not Be Reported - No overaward identified, but noncompliance with timing requirements</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context - During our review of student account records and disbursement activity, we identified that the institution did not consistently remit Title IV credit balances to students within the required 14-day time frame. Of the 60 students tested, we identified that 48 students were not paid within the required 14-day period and authorizations to hold the funds were not obtained.</p> <p>Cause and Effect - The institution's disbursement procedures establish that students will receive refund checks approximately 6 to 8 weeks following the aid being applied to their student ledger. Students experienced delays in receiving funds intended to cover educational and living expenses. The institution was not in compliance with federal disbursement timing requirements.</p> <p>Recommendation - We recommend the institution implement automated tracking of Title IV credit balances and establish internal controls to ensure timely remittance within the 14-day requirement. Staff should be trained on federal disbursement regulations, and procedures should be updated to include regular monitoring.</p> | None |

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|-------------------------|--|---------------------|
| 2025-006 (Continued) | Views of Responsible Officials and Planned Corrective Actions - The School District agrees with the finding. The School District is implementing automated tracking of Title IV credit balances and establishing internal controls to ensure timely remittance within the 14-day federal requirement. Staff are being trained on updated federal disbursement regulations, and procedures are being revised to include routine monitoring to ensure ongoing compliance. | |

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|------------------|--|------------------|
| 2025-007 | <p>Assistance Listing Number, Federal Agency, and Program Name - Student Financial Assistance Cluster - Federal Pell Grant Program ALN 84.063</p> <p>Federal Award Identification Number and Year - Various</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Material weakness</p> <p>Repeat Finding - No</p> <p>Criteria - Per 34 CFR 600.20, institutions must ensure that all eligible academic programs are properly reported and approved through the Eligibility and Certification Approval Report (ECAR) issued by the U.S. Department of Education. Institutions must maintain internal controls to verify that only eligible programs are included in Title IV aid processing.</p> <p>Condition - The institution does not have a process or controls in place for a timely review of program eligibility.</p> <p>Questioned Costs - None</p> <p>If Questioned Costs Are Not Determinable, Description of Why Known Questioned Costs Were Undetermined or Otherwise Could Not Be Reported - No questioned costs, no ineligible programs identified</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context - During the audit period, the School District did not perform verification over program eligibility of the programs offered. Of the 24 programs offered by the School District, all 24 programs met Title IV eligibility requirements. There was no documented process for reviewing ECAR updates or confirming program inclusion.</p> <p>Cause and Effect - The institution did not have a formal process for monitoring ECAR submissions and approvals. Responsibility for program eligibility verification was not clearly assigned, and there was no oversight mechanism in place. Title IV funds could have been disbursed to students enrolled in programs not officially recognized on the institution's ECAR, resulting in noncompliance with federal program eligibility requirements. This represents a material weakness in internal control over compliance.</p> <p>Recommendation - We recommend the institution implement a formal control structure to ensure all academic programs are reviewed for Title IV eligibility and included on the ECAR prior to disbursing aid. This should include assigning responsibility, establishing timelines for ECAR updates, and conducting periodic reconciliations between academic offerings and approved programs.</p> | None |

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|-------------------------|---|---------------------|
| 2025-007 (Continued) | Views of Responsible Officials and Planned Corrective Actions - The School District agrees with the finding. The School District is implementing a process to review academic programs for Title IV eligibility and ensure they are added to the ECAR before aid is awarded. This will include identifying who is responsible for updates and setting a regular schedule to review program listings so they stay accurate. | |

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|---------------------|--|---------------------|
| 2025-008 | <p>Assistance Listing Number, Federal Agency, and Program Name - Student Financial Assistance Cluster - Federal Pell Grant Program ALN 84.063</p> <p>Federal Award Identification Number and Year - Various</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Material weakness</p> <p>Repeat Finding - No</p> <p>Criteria - Per 34 CFR 600.20, institutions participating in Title IV programs must ensure continued compliance with institutional eligibility requirements and maintain adequate documentation to support such compliance. Regular reviews are necessary to confirm ongoing eligibility and to identify any changes that may affect participation.</p> <p>Condition - The School District is eligible to participate in Title IV federal student aid programs; however, it does not conduct an annual review of its institutional eligibility requirements nor maintain documentation supporting such assessments.</p> <p>Questioned Costs - None</p> <p>If Questioned Costs Are Not Determinable, Description of Why Known Questioned Costs Were Undetermined or Otherwise Could Not Be Reported - No questioned costs</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context - During the audit period, the School District met Title IV eligibility requirements, but the School District lacked internal controls to verify institutional eligibility prior to disbursing Title IV funds. There was no documented process for reviewing updates or confirming the eligibility requirements were met.</p> <p>Cause and Effect - The School District has not established formal procedures to perform and document annual reviews of its institutional eligibility status. Failure to conduct and document annual eligibility reviews may result in noncompliance with federal regulations, potentially jeopardizing the institution’s continued participation in Title IV programs.</p> <p>Recommendation - We recommend the School District implement a formal process to conduct annual reviews of its institutional eligibility requirements and maintain appropriate documentation of these assessments. This process should include a checklist of eligibility criteria, responsible personnel, and a timeline for completion.</p> | None |

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|-------------------------|--|---------------------|
| 2025-008 (Continued) | Views of Responsible Officials and Planned Corrective Actions - The School District agrees with the finding. The School District is implementing a regular process to review institutional eligibility annually and document the results. This will include using a checklist of requirements, identifying who is responsible for each step, and setting a clear timeline to ensure the review is completed consistently. | |

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|---------------------|--|---------------------|
| 2025-009 | <p>Assistance Listing Number, Federal Agency, and Program Name - Student Financial Assistance Cluster - Federal Pell Grant Program ALN 84.063</p> <p>Federal Award Identification Number and Year - Various</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Material weakness</p> <p>Repeat Finding - No</p> <p>Criteria - Per 2 CFR 200.303, school districts are required to establish and maintain effective internal controls over compliance with federal statutes, regulations, and the terms and conditions of federal awards. This includes oversight of third-party service providers that manage key systems used in the administration of Title IV programs. Controls over the third-party service providers should include access to systems and data, change management, data backup and recovery, and system operations and monitoring.</p> <p>Condition - The School District relies on two third-party vendors to manage key financial aid systems, including student information, eligibility determinations, disbursement calculations, and reporting. During the audit period, the institution did not perform any oversight activities or testing to verify the integrity, accuracy, or compliance of the systems managed by the vendor. There were no documented controls, service-level agreements, or monitoring procedures in place.</p> <p>Questioned Costs - None</p> <p>If Questioned Costs Are Not Determinable, Description of Why Known Questioned Costs Were Undetermined or Otherwise Could Not Be Reported - No questioned costs</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context - The School District utilizes two third-party vendors to manage key financial aid systems. The School District relies on the controls embedded into the systems by the third-party vendors; however, the School District does not perform any internal control reviews over one of the systems.</p> <p>Cause and Effect - The School District did not have a formal process for evaluating or monitoring third-party service providers. Roles and responsibilities for oversight were not clearly defined, and there was a lack of awareness regarding federal requirements for vendor accountability. The absence of oversight and testing over third-party systems increases the risk of undetected errors, data integrity issues, and noncompliance with Title IV requirements. This represents a material weakness in internal control over compliance.</p> | None |

**Joint School District No. 28-J of the Counties of Adams and Arapahoe,
Colorado**

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|-------------------------|--|---------------------|
| 2025-009 (Continued) | <p>Recommendation - We recommend the institution establish formal oversight procedures for third-party service providers managing Title IV systems. This should include documented agreements, regular performance reviews, system access controls, and periodic testing of data accuracy and compliance. Responsibilities should be clearly assigned to ensure ongoing monitoring.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The School District agrees with the finding. The School District is implementing oversight practices for its third-party service providers, including maintaining written agreements and setting expectations for regular check-ins and performance reviews. Responsibilities for monitoring will be assigned to ensure ongoing attention to system accuracy and support needs.</p> | |

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|------------------|---|------------------|
| 2025-010 | <p>Assistance Listing Number, Federal Agency, and Program Name - Student Financial Assistance Cluster - Federal Pell Grant Program ALN 84.06</p> <p>Federal Award Identification Number and Year - Various</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Material weakness</p> <p>Repeat Finding - No</p> <p>Criteria - Per 34 CFR 668.16, school districts must verify student eligibility and ensure accurate review of Institutional Student Information Records (ISIR) data before disbursing Title IV aid. Failure to do so constitutes noncompliance with federal regulations.</p> <p>Condition - The School District does not properly review students' Institutional Student Information Records to determine that the student is eligible for federal student financial aid.</p> <p>If Questioned Costs Are Not Determinable, Description of Why Known Questioned Costs Were Undetermined or Otherwise Could Not Be Reported - None</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context - The School District relies on its third-party service provider to evaluate ISIRs and does not have internal control processes in place to verify eligibility prior to disbursing Title IV aid.</p> <p>Cause and Effect - The School District has not implemented a formal policy or procedure requiring the review and documentation of ISIR data prior to determining student eligibility for federal financial aid. Failure to review ISIRs may result in the disbursement of Title IV funds to ineligible students, leading to potential noncompliance with federal regulations and a risk of financial liability to the School District.</p> <p>Recommendation - We recommend that the School District enhance its internal controls over ISIR review and verification procedures. This should include staff training, implementation of standardized review checklists, and system-level safeguards to prevent disbursement prior to eligibility confirmation.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The School District agrees with the finding. The School District is strengthening its ISIR review process by implementing standardized checklists and updating procedures to support consistent eligibility review. Staff are receiving additional training on these steps, and the School District is working to put system safeguards in place to ensure eligibility is confirmed before aid is disbursed.</p> | None |