

**GRANITE SCHOOL DISTRICT**

**COMPLIANCE REPORTS**

Year Ended June 30, 2020

## TABLE OF CONTENTS

	Page
Schedule of Expenditures of Federal Awards	1
Notes to Schedule of Expenditures of Federal Awards	3
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 <i>Government Auditing Standards</i>	4
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	6
Summary Schedule of Prior Audit Findings	8
Schedule of Findings and Questioned Costs	9
Independent Auditor's Report on Compliance and Report on Internal Control over Compliance Required by the <i>State Compliance Audit Guide</i>	10

**GRANITE SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2020

Grantor / Pass-through Grantor / Program Title	CFDA Number	Pass-Through Grantor Identifying Number	District's Program Number	Beginning Receivable (Unearned)	Received	Expended	Ending Receivable (Unearned)
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>							
Passed through Utah State Board of Education:							
<i>Child Nutrition Cluster:</i>							
School Breakfast Program	10.553	SBP	8001	\$ 6,311	\$ 4,945,306	\$ 5,345,385	\$ 406,390
National School Lunch Program	10.555	NSLF/NSLP/ASSP	8001	260,081	12,477,439	13,864,017	1,646,659
National School Lunch Program (Commodities)	10.555	none	8001	-	1,751,931	1,751,931	-
Total Child Nutrition Cluster				266,392	19,174,676	20,961,333	2,053,049
Child and Adult Care Food Program	10.558	CAM/CIL	8076	-	225,071	225,071	-
Fresh Fruit and Vegetable Program	10.582	FFVP	8002	-	312,570	312,570	-
Passed through Salt Lake County, Utah:							
<i>Forest Service Schools and Roads Cluster:</i>							
School and Roads - Grants to States	10.665	none	9999	-	9,282	9,282	-
Total U.S. Department of Agriculture				266,392	19,721,599	21,508,256	2,053,049
<b>U.S. DEPARTMENT OF THE TREASURY:</b>							
Passed through Salt Lake County, Utah:							
COVID-19 Coronavirus Relief Fund	21.019	none	7290	-	-	95,059	95,059
<b>U.S. DEPARTMENT OF EDUCATION:</b>							
Passed through Utah State Board of Education:							
<i>Special Education Cluster (IDEA):</i>							
Special Education Grants to States	84.027	FTF	7551	11,358,920	20,532,788	13,120,264	3,946,396
Special Education Preschool Grants	84.173	PRE	7550	322,125	542,486	397,803	177,442
Total Special Education Cluster (IDEA)				11,681,045	21,075,274	13,518,067	4,123,838
<i>Education Stabilization Fund (ESF):</i>							
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	ESSR	7210	-	-	10,732,740	10,732,740
Direct:							
Indian Education Grants to Local Educational Agencies	84.060	S060A180264	7322	41,324	136,851	127,949	32,422
School Safety National Activities	84.184	S184G140139	7390	330,221	524,809	381,576	186,988
School Leadership Recruitment and Support	84.363	U363A13016	7330	143,865	152,945	9,080	-
Passed through Utah State Board of Education:							
Adult Education - Basic Grants to States	84.002	Various	var	137,388	647,260	542,873	33,001
Title I Grants to Local Educational Agencies	84.010	T1FT/T1SF	var	12,329,167	15,060,079	15,288,403	12,557,491
Migrant Education - State Grant Program	84.011	MGFT	7886	21,840	24,346	2,506	-
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	NDAC/NDT	7842/7844	13,959	58,967	58,165	13,157
Career and Technical Education - Basic Grants to States	84.048	FLEA/LDSP	6943/6947	644,436	1,060,979	1,007,829	591,286

(Continued)

The accompanying notes are an integral part of these financial statements.

**GRANITE SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2020

Grantor / Pass-through Grantor / Program Title	CFDA Number	Pass-Through Grantor Identifying Number	District's Program Number	Beginning Receivable (Unearned)	Received	Expended	Ending Receivable (Unearned)
<b>U.S. DEPARTMENT OF EDUCATION (Continued):</b>							
Passed through Utah State Board of Education (Continued):							
Education for Homeless Children and Youth	84.196	MVFT	7951	\$ 18,106	\$ 26,752	\$ 33,735	\$ 25,089
Javits Gifted and Talented Students Education	84.206	JAV	7508	(338)	-	-	(338)
Twenty-First Century Community Learning Centers	84.287	ASFT/ASSA/ASSU	7910-7912	109	109	-	-
Special Education - State Personnel Development	84.323	SIGF	7558	-	13,445	13,445	-
English Language Acquisition State Grants	84.365	ELFT/IMM	var	371,395	546,728	1,175,071	999,738
Supporting Effective Instruction State Grant	84.367	2SFT	var	600,909	1,909,049	1,782,998	474,858
School Improvement Grants	84.377	SIFT	7803	130,482	643,854	998,173	484,801
Student Support and Academic Enrichment Program	84.424	4AFT	7905	-	394,668	590,484	195,816
Passed through the University of Missouri:							
Education Innovation and Research	84.411	C00051949-4	7710	253	2,111	2,121	263
Passed through Utah State University:							
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	Various	var	582,442	1,635,054	1,978,643	926,031
Total U.S. Department of Education				27,046,603	43,913,280	48,243,858	31,377,181
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>							
Passed through the State of Utah Department of Workforce Services:							
<i>TANF Cluster:</i>							
Temporary Assistance for Needy Families	93.558	Various	var	198,998	429,029	333,121	103,090
Passed through Utah State Board of Education:							
<i>TANF Cluster:</i>							
Temporary Assistance for Needy Families	93.558	KSE/PAC	7350/7352	290,814	675,665	655,962	271,111
Total TANF Cluster				489,812	1,104,694	989,083	374,201
Passed through Salt Lake County, Utah:							
Child Care and Development Block Grant	93.575	78597/BJ17163C.1	7730	23,772	23,772	-	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	none	7703	2,613	54,541	48,285	(3,643)
Passed through the State of Utah Department of Workforce Services:							
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	19DWS0090	7634	70,578	94,928	58,881	34,531
Total U.S. Department of Health and Human Services				586,775	1,277,935	1,096,249	405,089
<b>U.S. DEPARTMENT OF HOMELAND SECURITY:</b>							
Passed through the State of Utah Department of Public Safety:							
Pre-Disaster Mitigation	97.047	EMD-2017-PC-0006	var	17,945	17,945	-	-
<b>TOTAL FEDERAL AWARDS</b>				<u>\$ 27,917,715</u>	<u>\$ 64,930,759</u>	<u>\$ 70,943,422</u>	<u>\$ 33,930,378</u>

The accompanying notes are an integral part of these financial statements.

**GRANITE SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

---

**NOTE A – BASIS FOR PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Granite School District (the District) under programs of the federal government for the year ended June 30, 2020. 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 Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting as described in Note 1 to the District’s basic financial statements. 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.

Donated food commodities are recorded at acquisition value in the District’s *school lunch fund* as an inventory asset and federal revenue when received totaling \$1,751,931 for the year ended June 30, 2020. Donated food commodity inventories are recorded as expenditures in the *school lunch fund* when they are consumed by the schools; for purposes of the Schedule, donated food commodities are also recorded as expenditures when received.

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

**NOTE C – RELATIONSHIP TO DISTRICT’S FINANCIAL STATEMENTS**

A reconciliation of federal revenue as reported on the District’s basic financial statements and the schedule of expenditures of federal awards for the year ended June 30, 2020 is as follows:

General fund	\$	53,683,842
Capital projects fund		805,224
Other governmental funds:		
School lunch fund		<u>21,498,974</u>
Total federal revenue reported on financial statements		75,988,040
Interest subsidy on Build America Bonds received from U.S. Department of the Treasury		(805,224)
Medical Assistance Program received from State of Utah Department of Health		<u>(4,239,394)</u>
Total federal revenue reported on the schedule of expenditures of federal awards (SEFA)	\$	<u><u>70,943,422</u></u>

**NOTE D – SUBRECIPIENTS OF FEDERAL AWARDS**

The District did not pay any federal funds to subrecipients during the year ended June 30, 2020.



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*

Board of Education  
Granite School District

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, each major fund, and the aggregate remaining fund information of Granite School District (the District), as of and for the year ended June 30, 2020, 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 20, 2020.

**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 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 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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Squire & Company, PC*

Orem, Utah  
January 6, 2021



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Education  
Granite School District

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of Granite School District (the District) 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, 2020.

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* (the 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, 2020.

**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 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 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 governmental activities, each major fund, and the aggregate remaining fund information of Granite School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 20, 2020, which contained unmodified opinions on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Squire & Company, PC*

Orem, Utah  
January 6, 2021

**GRANITE SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
Year Ended June 30, 2020

---

No matters were noted in the prior year audit.

**GRANITE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2020**

---

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiency identified	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major federal programs:	
Material weakness identified	No
Significant deficiency identified	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No

**Identification of Major Federal Programs**

Name of Federal Program (CFDA Number)

*Child Nutrition Cluster:*

School Breakfast Program (10.553)

National School Lunch (10.555)

*Education Stabilization Fund (ESF):*

COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund (84.425D)

Dollar threshold used to distinguish between type A and type B programs:	\$2,128,302
Auditee qualified as low-risk auditee?	Yes

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.



Independent Auditor's Report on Compliance  
and Report on Internal Control over Compliance  
Required by the *State Compliance Audit Guide*

Board of Education  
Granite School District

**Report on Compliance**

We have audited Granite School District (the District) compliance with the following applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2020:

- Budgetary Compliance
- Fund Balance
- Open and Public Meetings Act
- Fraud Risk Assessment
- Minimum School Program – Unrestricted Programs
- Minimum School Program – Restricted Programs: Special Education, Teacher and Student Success Act, and Dual Immersion
- School District Tax Levies
- School Fees

***Management's Responsibility***

Compliance with the state compliance requirements referred to above is the responsibility of the District's management.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the District's compliance based on our audit.

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 *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a material effect on a state compliance requirement 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 the applicable state compliance requirement referred to above. Our audit does not provide a legal determination of the District's compliance with those requirements.

### ***Opinion on Compliance***

In our opinion, Granite School District complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2020.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described below. Our opinion on compliance is not modified with respect to these matters.

*Program accounting* – During 2020, the District received State Special Education program revenues. Within this program, the State has identified sub-programs that have specific and unique compliance requirements, including maintaining a separate accounting for each. The District has not maintained this separation for every one of these sub-programs. We selected samples from the District’s State Special Education expenditures and did not identify any questioned costs.

*Views of responsible officials* – The District believes the USBE alignment of revenue streams with sub-programs is not in the best interest of providing services to students. We look forward to working with the USBE and other school districts for acceptable solutions.

The District’s response to the noncompliance findings identified in our audit is described above. The District’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District’s internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, 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 state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement 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 state compliance requirement 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 *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Squire & Company, PC

Orem, Utah

January 6, 2021