

Compliance and Controls



COMPREHENSIVE ANNUAL FINANCIAL REPORT



CPAs & BUSINESS ADVISORS

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*

To the Board of Trustees of the
Clark County School District
Clark County, Nevada

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clark County School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Clark County School District's basic financial statements and have issued our report thereon dated October 15, 2021.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clark County 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*.

Clark County School District's Response to Findings

Clark County School District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Clark County School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Las Vegas, Nevada
October 15, 2021



CPAs & BUSINESS ADVISORS

Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Trustees of the
Clark County School District
Clark County, Nevada

Report on Compliance for Each Major Federal Program

We have audited Clark County School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Clark County School District’s major federal programs for the year ended June 30, 2021. Clark County 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.

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

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

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Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of Clark County School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Clark County School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Clark County School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Las Vegas, Nevada
October 15, 2021

CLARK COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor / Pass-Through Grantor / Program	Federal CFDA Number	Agency or Pass-through Number	Expenditures
U.S. DEPARTMENT OF EDUCATION			
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
Title 1 Grants to Local Educational Agencies	84.010	20-650-02000	\$ 2,901
Title 1 Grants to Local Educational Agencies	84.010	21-650-02000	296,015
Title 1 Grants to Local Educational Agencies	84.010	20-633-02000	(338,147)
Title 1 Grants to Local Educational Agencies	84.010	21-633-02000	60,973,255
Title 1 Grants to Local Educational Agencies	84.010	20-633-02000	(387,321)
Title 1 Grants to Local Educational Agencies	84.010	21-633-02000	33,905,432
Title 1 Grants to Local Educational Agencies	84.010	20-624-02000	206,233
Title 1 Grants to Local Educational Agencies	84.010	21-624-02000	3,310,922
			<u>97,969,290</u>
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
Title I: Part D Neglected & Delinquent Children - Correctional	84.013	20-630-02000	1,874
Title I: Part D Neglected & Delinquent Children - Correctional	84.013	21-630-02000	184,331
			<u>186,205</u>
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
Migrant Education, Title I-C	84.011	21-629-02000	355
			<u>355</u>
Special Education Cluster (IDEA)			
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
Special Education	84.027	21-639-02000	53,958,675
Special Education	84.027	20-639-02000	552,510
Special Education	84.027	20-667-02000	14,143
Special Education	84.027	21-667-02000	515,643
			<u>55,040,971</u>
Special Education Preschool Grant	84.173	20-665-02000	1,347
Special Education Preschool Grant	84.173	21-665-02000	1,161,969
			<u>1,163,316</u>
Total Special Education Cluster (IDEA)			<u>56,204,287</u>
DIRECT PROGRAM			
Impact Aid	84.041	S041B192995	76,237
			<u>76,237</u>
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
Career and Technical Education-Basic Grants to States (Perkins V)	84.048	20-631-02000	10,200
Career and Technical Education-Basic Grants to States (Perkins V)	84.048	21-631-02000	3,368,328
Career and Technical Education-Basic Grants to States (Perkins V)	84.048	20-637-02000	177
Career and Technical Education-Basic Grants to States (Perkins V)	84.048	21-635-02000	19,791
			<u>3,398,496</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

CLARK COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor / Pass-Through Grantor / Program	Federal CFDA Number	Agency or Pass-through Number	Expenditures
DIRECT PROGRAM			
Indian Education	84.060	S060A190203	\$ 32,369
Indian Education	84.060	S060A200203	46,550
			<u>78,919</u>
PASS THROUGH PROGRAMS DEPARTMENT OF EMP TRAINING AND REHABILITATION (DETR)			
Rehabilitation Services Vocational	84.126	1968-20-REHAB	(1,029)
Rehabilitation Services Vocational	84.126	1968-21-REHAB	413,185
			<u>412,156</u>
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
School Safety National Activities	84.184	21-732-02000	39,150
			<u>39,150</u>
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
Education for Homeless Children and Youth	84.196	20-688-02000	(8)
Education for Homeless Children and Youth	84.196	21-688-0200	131,034
			<u>131,026</u>
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
21st Century Community Learning Centers	84.287	20-770-02000 (SQUIRES)	4,675
21st Century Community Learning Centers	84.287	21-770-02000 (SQUIRES)	101,439
21st Century Community Learning Centers	84.287	20-770-02000 (LOWMAN)	(1,024)
21st Century Community Learning Centers	84.287	21-770-02000 (LOWMAN)	100,132
21st Century Community Learning Centers	84.287	20-770-02000 (REX BELL)	6,176
21st Century Community Learning Centers	84.287	21-770-02000 (REX BELL)	74,747
21st Century Community Learning Centers	84.287	20-770-02000 (MCCALL)	(1,280)
21st Century Community Learning Centers	84.287	21-770-02000 (MCCALL)	78,929
21st Century Community Learning Centers	84.287	20-770-02000 (EDWARDS)	12,687
21st Century Community Learning Centers	84.287	20-770-02000 (LUNT)	3,720
21st Century Community Learning Centers	84.287	21-770-02000 (LUNT)	85,580
21st Century Community Learning Centers	84.287	20-770-02000 (CASHMAN)	3,557
21st Century Community Learning Centers	84.287	21-770-02000 (CASHMAN)	60,973
21st Century Community Learning Centers	84.287	20-770-02000(W WILLIAMS)	10,723
21st Century Community Learning Centers	84.287	20-770-02000(TATE)	8
21st Century Community Learning Centers	84.287	21-770-02000(TATE)	98,892
21st Century Community Learning Centers	84.287	20-770-02000 (DIAZ)	7,962
21st Century Community Learning Centers	84.287	20-770-02000 (PITTMAN)	22,584
21st Century Community Learning Centers	84.287	20-769-02000(COH IV)	1,193,233
21st Century Community Learning Centers	84.287	21-769-02000(COH IV)	1,917,751
21st Century Community Learning Centers	84.287	20-770-02000(SEWELL)	<u>7,637</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

CLARK COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor / Pass-Through Grantor / Program	Federal CFDA Number	Agency or Pass-through Number	Expenditures
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION (continued)			
21st Century Community Learning Centers	84.287	21-770-02000(SEWELL)	\$ 89,308
21st Century Community Learning Centers	84.287	20-770-02000 (DISTRICT)	18,596
21st Century Community Learning Centers	84.287	21-770-02000 (DISTRICT)	135,224
21st Century Community Learning Centers	84.287	20-770-02000 (MENDOZA)	2,234
21st Century Community Learning Centers	84.287	21-770-02000 (MENDOZA)	89,489
21st Century Community Learning Centers	84.287	20-770-02000 (CRAIG)	8,888
21st Century Community Learning Centers	84.287	21-770-02000 (CRAIG)	86,927
21st Century Community Learning Centers	84.287	20-770-02000(WILLIAMS)	12,565
21st Century Community Learning Centers	84.287	21-770-02000(WILLIAMS)	99,948
21st Century Community Learning Centers	84.287	20-770-02000 (WHITNEY)	443
21st Century Community Learning Centers	84.287	21-770-02000 (WHITNEY)	56,936
			<u>4,389,659</u>
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
Special Education State Personnel Development	84.323	20-763-02000	4,306
Special Education State Personnel Development	84.323	21-763-02000	233,178
			<u>237,484</u>
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	21-610-02000	681,727
			<u>681,727</u>
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
English Language Acquisition	84.365	20-659-02000	1,303
English Language Acquisition	84.365	20-658-02000	105,017
English Language Acquisition	84.365	21-658-02000	3,461,482
			<u>3,567,802</u>
PASS THROUGH PROGRAMS FROM THE NEW TEACHER PROJECT			
Supporting Effective Instruction State Grants	84.367	U367D170012	92,416
			<u>92,416</u>
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
Supporting Effective Instruction State Grants	84.367	20-709-02000	114,240
Supporting Effective Instruction State Grants	84.367	21-709-02000	8,333,536
			<u>8,447,776</u>
Total Supporting Effective Instruction State Grant			<u>8,540,192</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

CLARK COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor / Pass-Through Grantor / Program	Federal CFDA Number	Agency or Pass-through Number	Expenditures
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
Student Support and Academic Enrichment Program	84.424	20-715-02000	\$ 714,376
Student Support and Academic Enrichment Program	84.424	21-715-02000	5,626,103
Student Support and Academic Enrichment Program	84.424	21-715-02000	40,560
			<u>6,381,039</u>
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
COVID-19 Education Stabilization Fund	84.425	21-741-02000	94,611,625
COVID-19 Education Stabilization Fund	84.425	20-740-02000	62,592,618
COVID-19 Education Stabilization Fund	84.425	21-745-02000	470,307
COVID-19 Education Stabilization Fund	84.425	21-745-02000	14,988
COVID-19 Education Stabilization Fund	84.425	21-749-02000	4,929,886
COVID-19 Education Stabilization Fund	84.425	21-729-02000	30,695
			<u>162,650,119</u>
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
Title 1 1003(g) School Improvement Plan	84.377	20-623-02000	87,841
Title 1 1003(g) School Improvement Plan	84.377	21-623-02000	325,735
Title 1 1003(g) School Improvement Plan	84.377	20-623-02000	120,501
Title 1 1003(g) School Improvement Plan	84.377	21-623-02000	209,128
			<u>743,205</u>
DIRECT PROGRAM			
Magnet Schools Assistance	84.165	U165A170032	3,433,850
			<u>3,433,850</u>
Total U.S. Department of Education			<u>349,121,197</u>
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster			
PASS THROUGH PROGRAMS FROM THE NEVADA DEPARTMENT OF AGRICULTURE			
School Breakfast Program	10.553	N-02-13	26,370,676
			<u>26,370,676</u>
PASS THROUGH PROGRAMS FROM THE NEVADA DEPARTMENT OF AGRICULTURE			
National School Lunch Program	10.555	N-02-13	47,541,965
National School Lunch Program-Commodities	10.555	E011	11,652,244
National School Lunch Program	10.555	N-02-13	9,714
			<u>59,203,923</u>
Total Child Nutrition Cluster			<u>85,574,599</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

CLARK COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor / Pass-Through Grantor / Program	Federal CFDA Number	Agency or Pass-through Number	Expenditures
PASS THROUGH PROGRAMS FROM THE NEVADA DEPARTMENT OF AGRICULTURE			
Child & Adult Care Food Program	10.558	S-02-13	\$ 88,022 <u>88,022</u>
PASS THROUGH PROGRAMS FROM THE NEVADA DEPARTMENT OF AGRICULTURE			
Federal Fresh Fruit & Vegetable Program	10.582	F-02-13	<u>96,893</u> <u>96,893</u>
Forest Service Schools and Roads Cluster:			
PASS THROUGH PROGRAMS FROM CLARK COUNTY			
Schools and Roads	10.666	Not Available	<u>84,523</u> <u>84,523</u>
Total Forest Service Schools and Roads Cluster			<u><u>84,523</u></u>
Total U.S. Department of Agriculture			<u><u>85,844,037</u></u>
U.S. DEPARTMENT OF THE INTERIOR			
477 Cluster			
DIRECT PROGRAM			
Indian Education Assistance to Schools	15.130	140A1619P0095	25
Indian Education Assistance to Schools	15.130	A19AC00053	1,091
Indian Education Assistance to Schools	15.130	A20AC00053	<u>9,601</u> <u>10,717</u>
Total 477 Cluster			<u><u>10,717</u></u>
Total U.S. Department of Interior			<u>10,717</u>
U.S. DEPARTMENT OF JUSTICE			
PASS THROUGH PROGRAMS FROM NEVADA OFFICE OF THE ATTORNEY GENERAL			
Community-Based Violence Prevention Program	16.123	2019-GANG-02	<u>34,326</u> <u>34,326</u>
PASS THROUGH PROGRAMS FROM THE STATE OF NEVADA DEPARTMENT OF EDUCATION			
National Institute of Justice Research, Evaluation, and Development	16.560	21-617-02000	<u>81,527</u> <u>81,527</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

CLARK COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor / Pass-Through Grantor / Program	Federal CFDA Number	Agency or Pass-through Number	Expenditures
Direct from Department of Justice Public Safety Partnership and Community Policing Grants	16.71	2020svwx0020	\$ 495,225 <u>495,225</u>
Total U.S. Department of Justice			<u>611,078</u>
U.S.DEPARTMENT OF TREASURY			
Coronavirus Relief			
PASS THROUGH PROGRAMS FROM NEVADA DEPARTMENT OF EDUCATION			
COVID-19 Coronavirus Relief Fund	21.019	21-340-02000	37,280,607
COVID-19 Coronavirus Relief Fund	21.019	21-760-02000	6,441,154
			<u>43,721,761</u>
Total For US Department of Treasury			<u>43,721,761</u>
U.S.DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction Cluster			
PASS THROUGH PROGRAMS FROM NEVADA DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction	20.205	PR082-17-063	(40,317)
Highway Planning and Construction	20.205	PR081-17-063	57,266
Highway Planning and Construction	20.205	PR601-19-063	315,120
			<u>332,069</u>
Total for Highway Planning and Construction Cluster			<u>332,069</u>
Highway Safety Cluster			
PASS THROUGH PROGRAMS FROM NEVADA DEPARTMENT OF PUBLIC SAFETY			
State and Community Highway Safety	20.600	956-781-041	3,173
State and Community Highway Safety	20.600	956-781-041	59,946
			<u>63,119</u>
Total for Highway Safety Cluster			<u>63,119</u>
Total U.S. Department of Transportation			<u>395,118</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
PASS THROUGH PROGRAMS FROM PACT COALITION			
Block Grant for Prevention and Treatment of Substance Abuse	93.959	2B08T101003919	18,578
Block Grant for Prevention and Treatment of Substance Abuse	93.959	6B08T1083130-01	15,000
			<u>33,578</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

CLARK COUNTY SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor / Pass-Through Grantor / Program	Federal CFDA Number	Agency or Pass-through Number	Expenditures
PASS THROUGH PROGRAM FROM PACT COALITION			
Drug-Free Communities Support Program	93.276	SP080666	\$ 5,573
			<u>5,573</u>
PASS THROUGH PROGRAMS FROM CATHOLIC CHARITIES OF SOUTHERN NEVADA			
Refugee and Entrant Assistance	93.566	RSIG2020	73,261
Refugee and Entrant Assistance	93.566	RSIG2021	25,477
			<u>98,738</u>
Total U.S. Department of Health and Human Services			<u>137,889</u>
Total Federal Financial Assistance			<u>\$ 479,841,867</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of Clark County School District (the “District”) under programs of the federal government for the year ended June 30, 2021. The information 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* (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 or changes in net position of the District and fund balance.

Note B – Summary of Significant Accounting Policies

Governmental fund types account for the District’s federal grant activity included in the general and federal projects funds. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources. 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.

Proprietary fund types account for the District’s federal grant activity included in the food service fund. Such expenditures are recognized on the accrual basis – when a liability is incurred. The District’s summary of significant accounting policies is presented in Note 1 in the District’s basic financial statements.

No federal financial assistance has been provided to a subrecipient.

Note C – Indirect Cost Rate

Clark County School District has not elected to use the 10% De Minimis indirect cost rate.

Note D – Relationship to Basic Financial Statements

Expenditures of federal awards have been included in the individual funds of the District as follows:

General Fund	\$	160,760
Major Fund - Federal Projects		393,921,593
Enterprise Fund - Food Service		<u>85,759,514</u>
Total	\$	<u>479,841,867</u>

Note E – Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. The amounts shown as expenditures of the National School Lunch Program – Commodities program represent the fair value of commodity food received by the District. At June 30, 2021, the District had food commodities totaling \$4,191,095 in inventory.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	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:	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>Assistance Listing Number</u>
COVID-19 Education Stabilization Fund	84.425
COVID-19 Coronavirus Relief Fund	21.019
Supporting Effective Instruction State Grants	84.367
Career and Technical Education - Basic Grants to States (Perkins V)	84.048
Dollar threshold used to distinguish between type A and type B programs:	\$ 3,000,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

**2021-001 Internal Control Over Financial Close and Reporting – Year End Accruals
Material Weakness**

Criteria: Governmental entities are required to follow generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board.

Condition: The District’s financial close and reporting process over the annual comprehensive financial report (ACFR) did not identify certain accruals that should have been made at year end. During our testing of the District’s delinquent personal property tax receivable, we noted that the recorded receivable was materially lower than the amount confirmed by Clark County resulting in an understatement of the property tax receivable and unavailable revenue in the Debt Service Fund. In addition, during our search for unrecorded liabilities, we identified a significant invoice relating to construction services rendered prior to June 30, 2021 which had not been accrued, resulting in an understatement of construction contracts payable and capital outlay in the Bond Fund.

Cause: The District does have processes and controls in place for financial close and reporting including controls over year end accruals; however, recent turnover of staff in both the facilities and accounting departments and lack of timely training for the new personnel with respect to these processes and controls were significant factors contributing to the misstatements.

Effect: The absence of adequate controls over the financial statement close process increases the possibility that a material misstatement could occur and not be prevented, or detected and corrected by the District in a timely manner. Lack of sufficient controls over accruals of receivables and construction contract payables resulted in the misstatements noted above.

Recommendation: We recommend that District management review and strengthen controls over financial close and reporting and provide timely training for new staff regarding their control responsibilities.

Views of Responsible Officials: Agree. See Corrective Action Plan.

Section III – Federal Award Findings and Questioned Costs

None reported.



AUDITOR'S COMMENTS

The Board of Trustees of the
Clark County School District
Clark County, Nevada

In connection with our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark County School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the District failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District’s noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

CURRENT YEAR STATUTE COMPLIANCE

The District conformed to all significant statutory constraints on its financial administration during the year except for those items identified in Note 11 of the accompanying financial statements.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The District monitored all significant constraints on its financial administration during the year ended June 30, 2021.

PRIOR YEAR RECOMMENDATIONS

No formal recommendations were made in the prior year.

CURRENT YEAR RECOMMENDATIONS

The Schedule of Findings and Questioned Costs identifies one finding as well as our recommendations.

NEVADA REVISED STATUTE 354.6113

The financial statements of the Bond Fund (a capital projects fund) are located in this report at Schedule A-8. As noted above, compliance with Nevada Revised Statutes is contained in Note 11 to the financial statements.

NEVADA REVISED STATUTE 354.6115

A fund was created in accordance with Nevada Revised Statute 354.6115, “Fund to stabilize operations of local government and mitigate effects of natural disaster”. However, the fund is inactive and had no fund balance at any time during the year. In future periods, funds may be deposited and/or accumulated in the Fund for Budget Stabilization if in any year general fund revenues have exceeded appropriated expenditure levels and the ending fund balance is not less than 2 percent of total general fund revenues as required by District Regulation 3110.

Las Vegas, Nevada
October 15, 2021

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