



DEKALB COUNTY BOARD OF EDUCATION STONE MOUNTAIN, GEORGIA

**SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020
(Including Independent Auditor's Reports)**



DEKALB COUNTY BOARD OF EDUCATION

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DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 4-101
Atlanta, Georgia 30334-8400

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Superintendent and Members of the
DeKalb County Board of Education

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 the DeKalb County Board of Education (School District), as of and for the year ended June 30, 2020, 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 April 28, 2021.

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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* as item FS 2020-001, that we consider to be a material weakness.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

School District's Response to Findings

The School District's response to the finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The 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 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.

Respectfully submitted,



Greg S. Griffin
State Auditor

June 3, 2021

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DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 4-101
Atlanta, Georgia 30334-8400

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Superintendent and Members of the
DeKalb County Board of Education

Report on Compliance for Each Major Federal Program

We have audited the DeKalb County Board of Education's (School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. 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*.

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 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 the 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 the School District's compliance.

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Opinion on Each Major Federal Program

In our opinion, the 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, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying *Schedule of Findings and Questioned Costs* as items FA 2020-001 and FA 2020-002. Our opinion on each major federal program is not modified with respect to these matters.

The School District's response to the noncompliance findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School 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 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 the 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* as items FA 2020-001 and FA 2020-002, that we consider to be significant deficiencies.

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The School District's response to the internal controls over compliance findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School 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.

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.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is written in a cursive style with a horizontal line at the end.

Greg S. Griffin
State Auditor

June 3, 2021

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Schedule of Findings and Questioned Costs

The *Schedule of Findings and Questioned Costs* (Schedule) was prepared in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule contains the following sections:

Section I - Summary of Auditor's Results

A summary of the results of our audit and a list of the DeKalb County Board of Education's (School District) major federal programs are presented in this section of the Schedule.

Section II - Financial Statement Findings

This section presents findings related to the financial statements, including any material weaknesses or significant deficiencies in internal control over financial reporting and noncompliance and other matters that are required to be reported in accordance with *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

This section presents federal award findings and questioned costs. Findings are reported for material weaknesses or significant deficiencies in internal control over compliance and material noncompliance with the compliance requirements that have a direct and material effect on each of the School District's major federal programs and other findings and questioned costs that are required to be reported pursuant to Title 2 CFR 200.516(a).

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DEKALB COUNTY BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2020

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:
 Governmental Activities; All Major Funds; Aggregate Remaining Fund Information Unmodified

Internal control over financial reporting:

- Material weakness identified? Yes
- Significant deficiency identified? None Reported

Noncompliance material to financial statements noted: No

Federal Awards

Internal Control over major programs:

- Material weakness identified? No
- Significant deficiencies identified? Yes

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000.00

Auditee qualified as low-risk auditee? No

DEKALB COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

- On the Statement of Activities, the method used by the School District to account for the conversion from modified accrual to full accrual was based on inaccurate depreciation percentages, resulting in a significant misclassification of expense by function in the amount of \$37,202,970.79. Adjustments to the financial statements were proposed by the auditors and accepted by the School District.
- On the Statement of Activities, the method used by the School District to distribute unallocated operating grants and contributions program revenue by function was based on depreciation expense rather than allocating revenues based on actual program cost by function, resulting in a significant misclassification of revenues by function in the amount of \$54,058,594.66. Adjustments to the financial statements were proposed by the auditors and accepted by the School District.
- On the Statement of Activities, the method used by the School District to allocate capital grants and contributions revenue by function was based on inaccurate depreciation percentages by function, resulting in a misclassification of revenues by function in the amount of \$15,906,419.00. Adjustments to the financial statements were proposed by the auditors and accepted by the School District.
- The disclosed coverage for worker's compensation insurance was overstated by \$25,000,000.00 due to changes in policy not being accurately reflected in the notes to the financial statements. Adjustments to the financial statements were proposed by the auditors and accepted by the School District.
- Cash balance disclosures for total bank balances were understated by \$4,484,027.88 and bank balances included in the Georgia Pledging Pool (State Deposit Program) \$55,040,286.41 were omitted from the categorization of deposits and cash equivalents and investments note. Adjustments to the financial statements were proposed by the auditors and accepted by the School District.
- Several other corrections and reclassification entries were proposed by the auditor and accepted by the School District to properly present the School District's financial statements, note disclosures, and supplementary information.

Cause:

In discussing this deficiency with the School District, they stated that the cause was a direct result of the lack of an effective review process to comprehensively evaluate the financial statements for accuracy and consistency across financial statements and disclosures as prepared by their consultant.

Effect or Potential Effect:

Material and significant misstatements and misclassifications were included in the financial statements presented for audit. Numerous adjustments were necessary in order for the School District's financial statements to be in conformity with GAAP. The lack of controls and monitoring could impact the reporting of the School District's financial position and results of operations.

Recommendation:

The School District should strengthen their internal controls and preparation and review procedures over financial reporting to ensure that the financial statements, including disclosures, presented for audit are complete and accurate. These procedures should be performed by a properly trained individual(s) possessing a thorough understanding of the applicable GAAP, GASB pronouncements and knowledge of the School District's activities and operations. The School District should also consider implementing the use of a review checklist to assist in the review process over the financial statements.

DEKALB COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

Views of Responsible Officials:
We concur with this finding.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2020-001	<u>Improve Controls over Equipment</u>
Compliance Requirement:	Equipment and Real Property Management
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Agriculture
Pass-Through Entity:	Georgia Department of Education
CFDA Number and Title:	Child Nutrition Cluster (CFDA 10.553 and 10.555)
Federal Award Numbers:	205GA324N1099
Questioned Costs:	None Identified
Repeat of Prior Year Finding:	FA 2019-001, FA 2018-001, FA 2017-002, and FA 2016-001

Description:

The policies and procedures of the School District were insufficient to provide adequate internal controls over equipment and real property management as it relates to the Child Nutrition Cluster.

Criteria:

2 CFR 200.313(d)(1) states, "Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property". In addition, 2 CFR 200.313(d)(2) states, "A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years".

Condition:

The following deficiencies were noted when reviewing the Child Nutrition Cluster equipment listing and physically locating equipment items:

- Property records did not include the following required components for all equipment items: (1) the source of funding for the property (including the FAIN), (2) who holds title, (3) the acquisition date, (4) cost of the property, (5) percentage of Federal participation in the project costs for the federal award under which the property was acquired, and (6) use and condition of property.
- While a physical inventory was performed and a listing is maintained, the property records for the equipment items were not fully updated to reflect the results.

Cause:

In discussing this deficiency with the School District, they stated that a physical inventory was performed, but due to the delay in the timing of the inventory as a result of COVID, they have not yet been able to resolve all discrepancies identified. In addition, though significant errors were made in updating the equipment listing. School District personnel were unable to complete this process due to time and physical access constraints posed by the COVID closures.

DEKALB COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Effect or Potential Effect:

Failure to maintain a complete an accurate equipment listing and reconcile results of the physical inventory performed to the property records exposes the School District to unnecessary risk of error and misuse of equipment and/or Federal funds. Additionally, the School District is not in compliance with the Uniform Guidance and Georgia Department of Education guidance.

Recommendation:

The School District should develop and maintain an equipment listing that reflects all required information, including a description, an identifying number, the source of funding, the title holder, the acquisition date, the cost, the percentage of Federal participation in the project costs, the location, the use and condition, and any ultimate disposal data for each piece of equipment. In addition, management should implement controls to ensure that a complete physical inventory of equipment is performed, and the results are reconciled back to the equipment listing at least once every two years.

Views of Responsible Officials:

We concur with this finding.

FA 2020-002	Improve Controls over Procurement
Compliance Requirement:	Procurement and Suspension and Debarment
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	Georgia Department of Education
CFDA Numbers and Title:	84.027 and 84.173 Special Education Cluster
Federal Award Numbers:	H027A180073, H173A180081, H027A190073, H173A190081
Questioned Costs:	\$31,662.24
Repeat of Prior Year Findings:	FA 2019-002, FA 2018-002, and FA 2017-002

Description:

The policies and procedures of the School District did not provide adequate internal controls over procurement as it relates to Special Education Cluster.

Criteria:

2 CFR 200.318(a) states in part that the non-Federal entity must “use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law.” In addition, provisions included in 2 CFR 200.320(b) provide guidance for procurement through small purchase procedures and state, “If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.”

Condition:

In an effort to determine whether appropriate internal controls were implemented and applicable compliance requirements were met, a test of procurement transactions associated with ten vendors were randomly selected for testing using a non-statistical sampling approach. Upon review of these procurement transactions, it was noted that the School District could not provide evidence that an adequate number of rate or price quotations were obtained from qualified sources for four small purchase expenditures.

DEKALB COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Questioned Costs:

Questioned costs of \$31,662.24 were identified for expenditures that did not follow the School District's procurement procedures.

Cause:

In discussing the deficiencies with management, they stated that internal control procedures related to procurement were not being followed appropriately. In addition, management did not adequately monitor the procurement internal control procedures.

Effect or Potential Effect:

Failure to appropriately implement procedures to address procurement compliance requirements exposes the School District to unnecessary risk of error and misuse of Federal funds. In addition, this deficiency could lead to the return of grant funds associated with unallowable expenditures. Furthermore, the School District is not in compliance with the Uniform Guidance and Georgia Department of Education guidance

Recommendation:

The School District should evaluate and improve internal control procedures to ensure that required procurement procedures are followed, and appropriate documentation is obtained and retained. In addition, management should develop a monitoring process to ensure that these procedures are operating effectively and as designed.

Views of Responsible Officials:

We concur with this finding.

Schedule of Expenditures of Federal Awards

The *Schedule of Expenditures of Federal Awards* (Schedule) is presented for purposes of additional analysis as required by the Uniform Guidance. The Schedule provides a summary of the DeKalb County Board of Education federal program expenditures for the fiscal year ended June 30, 2020.

The Schedule presents total federal awards expended for each individual federal program, cluster, and federal awarding agency.

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**DEKALB COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2020**

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	205GA324N1099	\$ 8,599,750.85
National School Lunch Program	10.555	205GA324N1099	<u>42,835,184.34</u>
Total U. S. Department of Agriculture			<u>51,434,935.19</u>
Education, U. S. Department of			
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027	H027A180073	70,531.69
Grants to States	84.027	H027A190073	19,338,504.56
Preschool Grants	84.173	H173A180081	216,239.06
Preschool Grants	84.173	H173A190081	<u>180,124.13</u>
Total Special Education Cluster			<u>19,805,399.44</u>
Other Programs			
Direct			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	**	171,950.46
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048	V048A190010	1,234,043.41
Charter Schools	84.282	U282A160016	156,860.20
Education for Homeless Children and Youth	84.196	S196A180011	24,472.47
Education for Homeless Children and Youth	84.196	S196A190011	43,485.53
English Language Acquisition State Grants	84.365	S365A180010	662,381.45
English Language Acquisition State Grants	84.365	S365A190010	1,057,309.17
Migrant Education - State Grant Program	84.011	S011A180011	12,242.46
Migrant Education - State Grant Program	84.011	S011A190011	4,865.00
Student Support and Academic Enrichment Program	84.424A	S424A180011	741,718.28
Student Support and Academic Enrichment Program	84.424A	S424A190011	2,183,452.13
Supporting Effective Instruction State Grants	84.367	S367A180001	1,651,186.69
Supporting Effective Instruction State Grants	84.367	S367A190001	1,503,849.87
Title I Grants to Local Educational Agencies	84.010	S010A180010	16,841,657.29
Title I Grants to Local Educational Agencies	84.010	S010A190010	<u>22,750,170.15</u>
Total Other Programs			<u>49,039,644.56</u>
Total U. S. Department of Education			<u>68,845,044.00</u>
National Aeronautics and Space Administration			
Pass-Through From Georgia Tech. Award #101557			
Solar System Exploration Research Virtual Institute	43.001	**	<u>6,179.02</u>
Labor, U. S. Department of			
Pass-Through From Dekalb County Board of Health			
Parent Health Ambassador Grant	93.738	**	<u>6,229.36</u>
Defense, U. S. Department of			
Direct			
Department of the Air Force			
R.O.T.C. Program			899,439.51
Department of the Army			
R.O.T.C. Program			203,205.56
Department of the Navy			
R.O.T.C. Program			<u>1,175,791.39</u>
Total U. S. Department of Defense			<u>2,278,436.46</u>
Total Expenditures of Federal Awards			<u>\$ 122,570,824.03</u>

** Pass-through grantor number not available.

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the DeKalb County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2020. The information in this 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 (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net position of the Board.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

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

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Summary Schedule of Prior Audit Findings

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DEKALB COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

FS-6441-13-02	<u>Capital Asset Maintenance</u>
Control Category:	Capital Assets
Internal Control Impact:	Material Weakness
Compliance Impact:	None
Finding Status:	Previously Reported Corrective Action Implemented
FS 2014-002	<u>Capital Asset Maintenance</u>
Control Category:	Capital Assets
Internal Control Impact:	Significant Deficiency
Compliance Impact:	None
Finding Status:	Previously Reported Corrective Action Implemented
FS 2015-001	<u>Inadequate Controls over Capital Assets</u>
Control Category:	Capital Assets
Internal Control Impact:	Significant Deficiency
Compliance Impact:	None
Finding Status:	Previously Reported Corrective Action Implemented
FS 2016-001	<u>Controls over Capital Asset</u>
Control Category:	Capital Assets
Internal Control Impact:	Significant Deficiency
Compliance Impact:	None
Finding Status:	Previously Reported Corrective Action Implemented
FS 2017-001	<u>Controls over Financial Reporting</u>
Control Category:	Financial Reporting
Internal Control Impact:	Material Weakness
Compliance Impact:	None
Finding Status:	Partially Resolved – See Corrective Action/Responses
See response to finding number FS 2019-001.	
FS 2017-002	<u>Controls over Capital Assets</u>
Control Category:	Capital Assets
Internal Control Impact:	Significant Deficiency
Compliance Impact:	None
Finding Status:	Previously Reported Corrective Action Implemented

DEKALB COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

FA 2019-001	<u>Controls over Equipment</u>
Compliance Requirement:	Equipment and Real Property Management
Internal Control Impact:	Material Weakness
Compliance Impact:	Material Noncompliance
Federal Awarding Agency:	U.S. Department of Agriculture
Pass-Through Entity:	Georgia Department of Education
CFDA Number and Title:	Child Nutrition Cluster (CFDA 10.553 and 10.555)
Federal Award Number:	195GA324N1099
Questioned Costs:	None Identified

Finding Status: Partially Resolved – See Corrective Action/Responses

Management agrees with this finding. Controls are being implemented to ensure complete and accurate tracking of equipment to include physical inventory audits in accordance with federal regulations, 2 CFR 200.313. School Nutrition employed an Inventory Specialist in May 2020. The Inventory Specialist and the Finance Capital Asset team conducted physical inventories of all School District locations in the first quarter of 2021.

Estimated Completion Date: June 30, 2021

Contact Person: Charles Burbridge, CFO
Telephone: (678) 676-1200
E-mail: Charles_Burbridge@dekalbschoolsga.org

FA 2019-002	<u>Inadequate Controls over Procurement, Suspension and Debarment</u>
Compliance Requirement:	Procurement, Suspension and Debarment
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	Georgia Department of Education
CFDA Number and Title:	Special Education Cluster (CFDA 84.027 and 84.173)
Federal Award Numbers:	H027A170073, H027A180073, H173A170081, H173A180081
Questioned Costs:	None Identified

Finding Status: Unresolved – See Corrective Action Responses

Management agrees with this finding. A new Special Education Director has been employed. Corrective action has already occurred and the Special Education Department now ensures, prior to procuring services, that an adequate number of rate, or price quotations are obtained from qualified sources. Procedures and policies are designed and implemented to ensure compliance with the procurement provisions of 2 CFR 200.320.

Estimated Completion Date: June 30, 2021

Contact Person: Charles Burbridge, CFO
Telephone: (678) 676-1200
E-mail: Charles_Burbridge@dekalbschoolsga.org

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Management's Corrective Action Plan

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CORRECTIVE ACTION PLAN - FINANCIAL STATEMENT FINDINGS

FS 2020-001 Controls over Financial Reporting
Control Category: Financial Reporting
Internal Control Impact: Material Weakness
Compliance Impact: None
Repeat of Prior Year Finding: FS 2019-001, 2018-001, 2017-001

Corrective Action Plans:

Management agrees with this finding. A reorganization plan currently being implemented will strengthen the Finance team. Standard procedures are being reviewed and employee training & implementation of best practices is actively being completed. The School District is set to have the new Financial Information System (FMIS) fully implemented early 2022. Additional resources will be dedicated to the month-end closings, year-end closing, and financial statement preparation process. Finally, the School District consults with an external financial statement preparer, which will be augmented by the employment of a Director of Financial Reporting.

Estimated Completion Date: June 30, 2021

Contact Person: Charles Burbridge, CFO
Telephone: (678) 676-1200
E-mail: Charles_Burbridge@dekalbschoolsga.org

CORRECTIVE ACTION PLANS – FEDERAL AWARD FINDINGS

FA 2020-001 Improve Controls over Equipment
Compliance Requirement: Equipment and Real Property Management
Internal Control Impact: Significant Deficiency
Compliance Impact: Nonmaterial Noncompliance
Federal Awarding Agency: U.S. Department of Agriculture
Pass-Through Entity: Georgia Department of Education
CFDA Number and Title: Child Nutrition Cluster (CFDA 10.553 and 10.555)
Federal Award Numbers: 205GA324N1099
Questioned Costs: None Identified
Repeat of Prior Year Finding: FA 2019-001, FA 2018-001, FA 2017-001, and FA 2016-001

Corrective Action Plans:

Management agrees with this finding. Controls are being implemented to ensure complete and accurate tracking of equipment to include physical inventory audits in accordance with federal regulations, 2 CFR 200.313. School Nutrition employed an Inventory Specialist in May 2020. The Inventory Specialist and the Finance Capital Asset team conducted physical inventories of all District locations in the first quarter of 2021.

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FA 2020-002	<u>Improve Controls over Procurement</u>
Compliance Requirement:	Procurement, Suspension and Debarment
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	Georgia Department of Education
CFDA Number and Title:	84.027, 84.173 Special Education Cluster
Federal Award Numbers:	H027A180073, H173A180081, H027A190073, H173A190081
Questioned Costs:	\$31,662.24
Repeat of Prior Year Finding:	FA 2019-002, FA 2018-002, and FA 2017-002

Corrective Action Plans:

Management agrees with this finding. A new Special Education Director has been employed. Corrective action has already occurred and the Special Education Department now ensures, prior to procuring services, that an adequate number of rate, or price quotations are obtained from qualified sources. Procedures and policies are designed and implemented to ensure compliance with the procurement provisions of 2 CFR 200.320.

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Charles A. Burbridge
DeKalb County School District CFO