

# **School District of Philadelphia Pennsylvania**

## **Schedule of Financial Assistance**



**Fiscal Year Ended June 30, 2021**

**School District of Philadelphia  
Pennsylvania**

**Schedule of Financial  
Assistance**

**Fiscal Year Ended June 30, 2021**

**Prepared By:  
Office of General Accounting**

**SCHOOL DISTRICT OF PHILADELPHIA  
SCHEDULE OF FINANCIAL ASSISTANCE FOR THE FISCAL  
YEAR ENDED JUNE 30, 2021**

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# **Section I.**

## **Introductory Section**



OFFICE OF THE SUPERINTENDENT  
440 North Broad Street, Suite 301  
Philadelphia, PA 19130

**Tony B. Watlington, Sr., Ed.D.**  
Superintendent

July 19, 2022

Board of Education  
**Attention: Members of the Board**  
The School District of Philadelphia  
440 North Broad Street, Suite 101  
Philadelphia, PA 19130

**Re: Schedule of Financial Assistance and Schedule of Expenditures of Federal Awards**

Dear Members of the Board of Education:

The Schedule of Financial Assistance (“SFA”) of The School District of Philadelphia (“School District”) for the Fiscal Year ended June 30, 2021, which includes the Schedule of Expenditures of Federal Awards (“SEFA”), is submitted herewith. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the Federal financial activity of the School District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the School District’s financial assistance have been included.

#### THE FEDERAL SINGLE AUDIT REQUIREMENT

The United States Congress enacted the Single Audit Act Amendments of 1996 (the “Act”), and the President signed the Act into law on July 5, 1996. The Office of Management and Budget (“OMB”) issued Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), in accordance with the Act, to clarify and establish audit requirements for States, Local Governments and Non-Profit Organizations. The School District is required by the Act to have an annual audit performed on its entire operations, including separate reporting on its federal financial activity or otherwise the SEFA.

The School District’s Annual Comprehensive Financial Report (“ACFR”) for the Fiscal Year ended June 30, 2021, presents the entire operations of the School District. The ACFR was issued under separate cover on February 21, 2022. The SFA is issued in conjunction with the ACFR in order to comply with the reporting provisions of the Act. The report of the independent auditor on the SEFA, dated July 19, 2022, is reported in conjunction with the Independent Auditor’s Reports on Compliance for Each Major Program, and Report on Internal Control over Compliance, as required by the Uniform Guidance. The financial presentations in each report are derived from the same financial activity in the School District’s various funds.

Copies of the reporting package (ACFR and SFA) and Data Collection Form must be forwarded to the Federal Audit Clearinghouse or otherwise to the U.S. Bureau of the Census. In addition, a reporting package must be issued to each federal agency providing direct funding and affected by an audit finding on the Schedule of Findings and Questioned Costs or the Summary Schedule of Prior Year Findings, and to required state or other governments. The report must be forwarded within the earlier 30 days after receipt of the auditor's report(s), or nine months after our fiscal year-end of June 30, 2021, unless extended. In accordance with the Act, the SFA will be made available for public inspection.

The SEFA of the School District is presented in Section II of the SFA.

#### STATE OF PENNSYLVANIA SINGLE AUDIT REQUIREMENT

In June 2019, the Department of Health and Human Services (DHS) reissued the Single Audit Supplement as an aid to local government entities and their independent auditors in the specific auditing and performance of the Single Audit. This supplement provides program-specific auditing and reporting requirements which are applied in conjunction with the Single Audit Act's required standards and guidelines for programs funded through the DHS.

#### COGNIZANT AGENCY

The OMB, in accordance with the Act, assigned the U.S. Department of Health and Human Services, National External Audit Review Center as the Cognizant Agency for the School District.

#### INDEPENDENT AUDITOR

The Philadelphia Home Rule Charter establishes the City Controller, a separately elected official, as the independent auditor of The School District of Philadelphia. Our Cognizant Agency has recognized the independence of the City Controller and the Single Audit was conducted through her appointed Certified Public Accountant in charge of auditing, in accordance with the provisions of The Philadelphia Home Rule Charter.

#### AUDITOR REPORTS

The Single Audit Act, in conjunction with the American Institute of Certified Public Accountants, requires that the auditor issue four reports in connection with its examination of the SEFA: The 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 Report on Compliance for Each Major Program, Report on Internal Control over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance. These federal and state requirements have been met and the reports are included herein.

PLAN FOR CORRECTIVE ACTION

The Act requires that the School District submit its plan for corrective action to address each audit finding included in the current year's auditor's reports.

ACKNOWLEDGEMENTS

The preparation of this report was made possible by the dedicated service of the entire staff of the Chief Financial Officer, especially the Office of General Accounting and the Office of Grant Compliance and Fiscal Services. We express our sincere appreciation to all the members of these departments who assisted in and contributed to the preparation of this report. We also thank the Office of the City Controller for their cooperation and assistance.

Respectfully,



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Tony B. Watlington, Ed. D.  
Chief Executive Officer and Superintendent



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Uri Z. Monson  
Chief Financial Officer

## **Section II.**

# **Schedule of Expenditures of Federal Awards**



Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

Passed-Through Agency Cluster	Federal Program Title	Federal CFDA Number	Source Code	Grantor Contract Number	Other	Grant Period From	Grant Period To	Total Grant Award	Receivable 6/30/2020	Cash Receipts	Federal Expenditures	Adjustments	Receivable 6/30/2021	Subrecipient Expenditures
								\$	\$	\$	\$	\$	\$	\$
U.S. Department of Agriculture														
PA Department of Agriculture														
PA Department of Agriculture	Child Nutrition Cluster													
	10.555 National School Lunch Program	10.555	I	-	2-08-51-500	07/01/19 - 06/30/20		5,241,298	(422,677)	0	422,677	0	0	0
	Non-Cash Assistance (Commodities)	10.555	I	-	2-08-51-500	07/01/20 - 06/30/21		989,741	0	989,741	989,741	0	0	0
	Non-Cash Assistance (Commodities)	10.555	I	-	2-08-51-500	07/01/20 - 06/30/21		6,231,039	(422,677)	989,741	1,472,418	0	0	0
	Subtotal: 10.555 National School Lunch Program							6,231,039	(422,677)	989,741	1,472,418	0	0	0
	Subtotal: PA Department of Agriculture							6,231,039	(422,677)	989,741	1,472,418	0	0	0
PA Department of Education														
PA Department of Education	Child Nutrition Cluster													
	10.553 School Breakfast Program	10.553	I	N/A	N/A	07/01/19 - 06/30/20		17,774,838	804,977	804,977	0	0	0	0
	Breakfast - Cash Assistance	10.553	I	N/A	N/A	07/01/20 - 06/30/21		7,515,286	0	7,073,306	7,515,286	0	441,980	0
	Breakfast - Cash Assistance	10.553	I	N/A	N/A	07/01/20 - 06/30/21		25,290,124	804,977	7,878,283	7,515,286	0	441,980	0
	Subtotal: 10.553 School Breakfast Program							25,290,124	804,977	7,878,283	7,515,286	0	441,980	0
	10.555 National School Lunch Program	10.555	I	F82024	-	07/01/19 - 06/30/20		50,580,148	1,186,466	1,186,466	0	0	0	0
	Lunch and Snack - Cash Assistance	10.555	I	F82024	-	07/01/20 - 06/30/21		11,988,114	0	11,290,935	11,988,114	0	697,179	0
	Lunch and Snack - Cash Assistance	10.555	I	F82024	-	07/01/20 - 06/30/21		62,568,262	1,186,466	12,477,401	11,988,114	0	697,179	0
	Subtotal: 10.555 National School Lunch Program							62,568,262	1,186,466	12,477,401	11,988,114	0	697,179	0
	Subtotal: Child Nutrition Cluster							94,089,425	1,566,766	21,345,425	20,915,818	0	1,139,159	0
	10.588 Child and Adult Care Food Program	10.588	I	F92025	-	07/01/19 - 06/30/20		1,812,100	0	0	0	0	0	0
	Twilight Feeding -Child and Adult Care Food Progi	10.588	I	F92025	-	07/01/20 - 06/30/21		2,563,576	0	2,160,233	2,563,576	0	403,343	0
	Twilight Feeding -Child and Adult Care Food Progi	10.588	I	F92025	-	07/01/19 - 06/30/20		1,644,802	0	0	0	0	0	0
	Child and Adult Care Food Program	10.588	I	F92025	-	07/01/19 - 06/30/20		87,548	0	23,974	87,548	0	63,574	0
	Child and Adult Care Food Program	10.588	I	F92025	-	7/1/2020 - 06/30/21		6,108,026	0	2,184,207	2,651,124	0	466,917	0
	Subtotal: 10.588 Child and Adult Care Food Program							6,108,026	0	2,184,207	2,651,124	0	466,917	0
	10.582 Fresh Fruit and Vegetable Program	10.582	I	F82024	-	07/01/19 - 06/30/20		169,165	12,823	12,823	0	0	0	0
	Lunch and Snack	10.582	I	F82024	-	07/01/20 - 06/30/21		179,243	0	151,951	179,243	0	27,292	0
	Lunch and Snack	10.582	I	F82024	-	07/01/20 - 06/30/21		348,408	12,823	184,774	179,243	0	27,292	0
	Subtotal: 10.582 Fresh Fruit and Vegetable Program							348,408	12,823	184,774	179,243	0	27,292	0
	Subtotal: PA Department of Education							94,314,820	2,004,266	22,704,665	22,333,767	0	1,633,368	0
PA Department of Human Services														
PA Department of Human Services	SNAP Cluster													
	(Passed Through PENN STATE UNIVERSITY)													
	10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	I	4100069151	5549-SDP-COP-9151	1001/18 - 09/30/21		2,256,206	(26,901)	0	26,901	0	0	0
	Pennsylvania Nutrition Education Plan	10.561	I	4100069151	5983-SDP-COP-9151	1001/19 - 09/30/21		1,988,274	670,730	1,028,819	358,089	0	0	0
	Pennsylvania Nutrition Education Plan	10.561	I	4100069151	1664-SDP-COP-9151	1001/20 - 09/30/21		2,342,977	774,524	774,524	1,485,107	0	710,583	0
	Pennsylvania Nutrition Education Plan	10.561	I	4100069151	1664-SDP-COP-9151	1001/20 - 09/30/21		6,587,458	643,829	1,803,343	1,870,097	0	710,583	0
	Subtotal: 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program							6,587,458	643,829	1,803,343	1,870,097	0	710,583	0
	Subtotal: SNAP Cluster							6,587,458	643,829	1,803,343	1,870,097	0	710,583	0
	Subtotal: PA Department of Human Services							6,587,458	643,829	1,803,343	1,870,097	0	710,583	0
Total U.S. Department of Agriculture								107,133,317	2,225,418	25,497,749	25,616,282	0	2,342,951	0

The accompanying notes form an integral part of this schedule.  
Totals may be off \$1. due to rounding.

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

Passed-Through Agency Cluster	Federal Program Title	Federal CFDA Number	Source Code	Federal Contract Number	Other	Grant Period From	Grant Period To	Total Grant Award	Receivable 6/30/2020	Cash Receipts	Federal Expenditures	Adjustments	Receivable 6/30/2021	Subrecipient Expenditures
								\$	\$	\$	\$	\$	\$	\$
U.S. Department of Education Direct Programs	84.041 Impact Aid	84.041	D	S041B-2018-4404		07/01/19 - 06/30/20		96,346	0	96,346	96,346	0	0	0
	Impact Area Aid							96,346	0	96,346	96,346	0	0	0
	Subtotal: 84.041 Impact Aid							96,346	0	96,346	96,346	0	0	0
	84.184 School Safety National Activities	84.184	D	S184G-140369-19		10/01/16 - 06/30/21		624,416	37,790	44,534	168,927	0	162,183	0
	School Safety National Activities	84.184	D	S184M190011		10/01/19 - 09/30/24		309,695	3,920	193,234	305,775	0	116,461	0
	Project Prevent Grant	84.184	D	S184M190011		10/01/20 - 09/30/24		34,072	0	0	34,072	0	0	0
	Subtotal: 84.184 School Safety National Activities							1,472,424	41,710	237,768	508,774	0	312,716	0
	84.334 Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	D	P344A140100		09/25/17 - 06/30/22		4,370,400	956,819	2,427,080	1,955,301	0	485,040	0
	GEAR UP Partnership	84.334A	D	P344A140100		09/25/17 - 06/30/22		4,370,400	0	77,240	77,240	0	0	0
	GEAR UP Partnership	84.334A	D	P344A140100		09/25/17 - 06/30/22		8,740,800	956,819	2,427,080	2,032,541	0	562,280	0
Subtotal: 84.334 Gaining Early Awareness and Readiness for Undergraduate Programs							10,309,570	998,529	2,761,194	2,637,861	0	874,986	0	
Subtotal: Direct Programs							10,309,570	998,529	2,761,194	2,637,861	0	874,986	0	
PA Department of Education	84.010 Title I Grants to Local Educational Agencies	84.010	I	S010A130039A		07/01/19 - 09/30/21		141,184,602	16,363,831	22,972,779	9,294,904	0	2,685,966	0
	Part A - Basic	84.010	I	S010A130039A		07/01/20 - 09/30/22		148,601,686	0	124,976,458	129,689,211	0	4,682,753	0
	School Improvement - Set Aside	84.010	I	S010A090039A		08/21/19 - 09/30/21		20,868,658	10,417,977	18,447,238	26,962,892	0	5,676,107	0
	School Improvement - Set Aside	84.010	I	S010A090039A		07/01/20 - 09/30/21		26,962,892	0	50,000	21,893	0	8,504,854	0
	Title I (IU26)	84.010	I	3993219		07/01/19 - 09/30/21		50,000	28,307	50,000	0	0	0	0
	Title I (IU26)	84.010	I	3993220		07/01/20 - 09/30/21		50,000	0	0	0	0	0	0
	IU 26 Statewide System of Support Standard Bas	84.010	I	3993919		155-19-0026		28,000	12,000	12,000	0	0	0	0
	IU 26 Statewide System of Support Standard Bas	84.010	I	3993919		157-21-0026		140,729	46,910	140,729	140,729	0	93,819	0
	IU 26 Statewide System of Support Standard Bas	84.010	I	3993920		147-20-0026		16,250	10,381	8,656	0	(1,725)	0	0
	IU 26 Statewide System of Support Standard Bas	84.010	I	3993920		149-21-0026		9,200	0	0	7,530	0	7,530	0
	Title I Grantback	84.010	I	-		07/01/20 - 09/30/21		5,389,204	489,928	489,928	0	0	0	0
	Subtotal: 84.010 Title I Grants to Local Educational Agencies						342,510,421	27,322,423	167,003,968	161,336,289	(1,725)	21,653,020	0	
(1) 84.027 Special Education Grants to States	IDEA-B	84.027	I	H027-A160162		07/01/17 - 09/30/19		42,748,549	(46,445)	0	14,028	32,417	0	0
	IDEA-B	84.027	I	H027-A160162		06/21-0026A		42,123,716	24,345,062	28,082,477	3,735,493	1,922	0	0
	IDEA-B	84.027	I	H027-A160162		06/22-0026A		42,552,309	0	22,694,565	34,402,738	8,246	11,716,419	13,806,323
	IU 13 Post Graduation - John Bartram	84.027	I	062-17-0-033/PaTTAN		07/01/16 - 06/30/17		100,000	(644)	0	0	644	0	0
	IU 13 Post Graduation - John Bartram	84.027	I	C1788019		07/01/17 - 06/30/18		50,000	(86)	0	0	86	0	0
	IU 13 Post Graduation - John Bartram	84.027	I	062-19-0-033/PaTTAN		07/01/19 - 06/30/20		25,000	25,000	0	0	0	0	0
	IU 13 Post Graduation - John Bartram	84.027	I	062-19-0-033/PaTTAN		07/01/20 - 06/30/21		10,000	0	0	399	0	399	0
	ABA Services Grant	84.027	I	-		06/21-0035		742,420	264,306	264,306	0	0	0	0
	ABA Services Grant	84.027	I	-		06/21-0035		583,874	63,428	63,428	0	0	0	0
	P2G Sim Spend	84.027	I	-		06/21-0035		424,160	0	0	66,173	0	66,173	0
	Project Career Lunch	84.027	I	-		NA		1,500	(890)	0	360	0	(530)	0
	Subtotal: 84.027 Special Education Grants to States						129,391,547	24,649,731	51,159,774	38,226,691	43,315	11,759,962	13,806,323	
(1) Subtotal: Special Education Cluster							129,391,547	24,649,731	51,159,774	38,226,691	43,315	11,759,962	13,806,323	
84.377 School Improvement Grants	School Improvement Grant	84.377	I	-		07/01/17 - 09/30/20		1,220,629	10,552	203,438	339,728	0	146,842	0
	School Improvement Grant - Cohort 5	84.377	I	S377A150039		07/01/18 - 09/30/19		374,429	(67,877)	37,443	292,534	0	187,215	0
	School Improvement Grant - Cohort 5	84.377	I	S377A150039		12/03/19 - 09/30/20		374,429	0	149,772	19,070	0	(130,702)	0
	Subtotal: 84.377 School Improvement Grants						1,969,487	(57,325)	390,653	651,332	0	209,354	0	
84.173 Special Education Preschool Grants	Special Education Preschool Grants	84.173	I	S156-20-17200-000		07/01/20 - 06/30/21		73,920	0	73,920	73,920	0	0	0
	Subtotal: 84.173 Special Education Preschool Grants						73,920	0	73,920	73,920	0	0	0	

The accompanying notes form an integral part of this schedule. Totals may be off \$1. due to rounding.

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021**

Passed- Through Agency Cluster	Federal Program Title	Federal CFDA Number	Source Code	Grantor Contract Number	Grant Period From To	Total Grant Award	Receivable 6/30/2020	Cash Receipts	Federal Expenditures	Adjustments	Receivable 6/30/2021	Subrecipient Expenditures
				Other		\$	\$	\$	\$	\$	\$	\$
	<b>84.196 Education for Homeless Children and Youth</b>											
	Homeless Children & Youth	84.196	I	-	07/01/19 - 12/31/20	505,641	71,254	235,966	164,712	0	0	0
	Homeless Children & Youth	84.196	I	-	07/01/20 - 12/31/21	484,026	0	193,610	226,273	0	32,663	0
	<b>Subtotal: 84.196 Education for Homeless Children and Youth</b>					<b>989,667</b>	<b>71,254</b>	<b>429,576</b>	<b>390,985</b>	<b>0</b>	<b>32,663</b>	<b>0</b>
	<b>84.013 Title I State Agency Program for Neglected and Delinquent Children and Youth</b>											
	Neglected and Delinquent Children	84.013	I	SO10A100338A	07/01/18 - 09/30/21	244,640	0	244,640	244,640	0	0	0
	<b>Subtotal: 84.013 Title I State Agency Program for Neglected and Delinquent Children and Youth</b>					<b>244,640</b>	<b>0</b>	<b>244,640</b>	<b>244,640</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>84.048 Career and Technical Education - Basic Grants to States</b>											
	Secondary Allocation	84.048	I	V046A120038	07/01/19 - 06/30/20	5,394,673	(120,953)	155,825	276,779	0	0	0
	Secondary Allocation	84.048	I	V046A120038	07/01/20 - 06/30/21	5,988,342	0	4,990,285	5,192,219	0	0	0
	<b>Subtotal: 84.048 Career and Technical Education - Basic Grants to States</b>					<b>11,383,015</b>	<b>(120,953)</b>	<b>5,146,110</b>	<b>5,468,998</b>	<b>0</b>	<b>201,934</b>	<b>0</b>
	<b>84.365 English Language Acquisition State Grants</b>											
	Title III Language LEP	84.365	I	-	07/01/19 - 09/30/22	3,263,684	335,443	593,397	257,954	0	0	0
	Title III Language LEP	84.365	I	-	07/01/20 - 09/30/21	3,789,620	0	2,756,067	3,008,449	0	252,382	0
	<b>Subtotal: 84.365 English Language Acquisition State Grants</b>					<b>7,053,304</b>	<b>335,443</b>	<b>3,349,464</b>	<b>3,266,403</b>	<b>0</b>	<b>252,382</b>	<b>0</b>
	<b>84.366 Mathematics and Science Partnerships</b>											
	PDE/MSP Title II Part B Math and Science	84.366	I	-	07/01/14 - 09/30/15	270,197	(36,447)	0	0	0	(36,447)	0
	<b>Subtotal: 84.366 Mathematics and Science Partnerships</b>					<b>270,197</b>	<b>(36,447)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(36,447)</b>	<b>0</b>
	<b>84.367 Supporting Effective Instruction State Grants</b>											
	Improving Teacher Quality (Class Size Reduction)	84.367	I	S367A150051	07/01/19 - 09/30/21	10,582,943	(4,446,876)	5,700,943	10,147,819	0	0	0
	Improving Teacher Quality (Class Size Reduction)	84.367	I	S367A150051	07/01/20 - 09/30/22	11,411,620	0	3,184,345	2,398,839	0	(785,506)	0
	<b>Subtotal: 84.367 Supporting Effective Instruction State Grants</b>					<b>21,994,563</b>	<b>(4,446,876)</b>	<b>8,885,288</b>	<b>12,546,658</b>	<b>0</b>	<b>(785,506)</b>	<b>0</b>
	<b>84.424 Student Support and Academic Enrichment Program</b>											
	Title 4 Student Support and Academic Enrichment	84.424	I	-	07/01/18 - 09/30/19	10,821,979	3,935,265	3,935,265	0	0	0	0
	Title 4 Student Support and Academic Enrichment	84.424	I	-	07/01/19 - 09/30/20	10,759,687	0	8,803,360	10,799,687	0	1,956,307	0
	Aspiring to Educate	84.424	I	S424A190039	01/01/20 - 06/30/21	376,452	0	0	276,718	0	0	0
	<b>Subtotal: 84.424 Student Support and Academic Enrichment Program</b>					<b>21,958,118</b>	<b>3,935,265</b>	<b>12,738,645</b>	<b>11,036,405</b>	<b>0</b>	<b>2,233,024</b>	<b>0</b>
	<b>84.425 Education stabilization fund under the coronavirus aid, relief and economic security act</b>											
	COVID - 19 Elementary and Secondary School Em	84.425D	I	FA-200-20-0335	03/13/20 - 09/30/22	116,528,467	0	107,273,883	107,116,497	0	(157,386)	0
	<b>Subtotal: 84.425 Education stabilization fund under the coronavirus aid, relief and economic act</b>					<b>116,528,467</b>	<b>0</b>	<b>107,273,883</b>	<b>107,116,497</b>	<b>0</b>	<b>(157,386)</b>	<b>0</b>
	<b>84.425 GEER Special ED Covid 19</b>											
	COVID -19 GEER Special ED	84.425C	I	FA-252-20-0335	07/01/20 - 09/30/22	1,655,696	0	435,709	0	0	(435,709)	0
	<b>Subtotal: 84.425 GEER Special ED Covid 19</b>					<b>1,655,696</b>	<b>0</b>	<b>435,709</b>	<b>0</b>	<b>0</b>	<b>(435,709)</b>	<b>0</b>
	<b>84.425 Governors Emergency Education Relief ATSI SD</b>											
	COVID -19 Governors Emergency Education Relief	84.425C	I	FA-254-20-0335	03/13/20 - 09/30/22	1,434,597	0	302,020	28,842	0	(273,178)	0
	<b>Subtotal: 84.425 Governors Emergency Education Relief ATSI SD</b>					<b>1,434,597</b>	<b>0</b>	<b>302,020</b>	<b>28,842</b>	<b>0</b>	<b>(273,178)</b>	<b>0</b>
	<b>84.425 Continuity of Education and Equity Grant Governors Emergency Education Relief</b>											
	COVID - 19 Continuity of Education and Equity Gra	84.425C	I	FA-253-20-0335	03/13/20 - 09/30/22	2,509,000	0	1,320,526	2,001,754	0	681,228	0
	<b>Subtotal: 84.425 Continuity of Education and Equity Governors Emergency Education Relief</b>					<b>2,509,000</b>	<b>0</b>	<b>1,320,526</b>	<b>2,001,754</b>	<b>0</b>	<b>681,228</b>	<b>0</b>
	<b>84.425 GEER Continuity of Education and Equity Grant</b>											
	COVID - 19 GEER Continuity of Education and Equi	84.425C	I	-	08/13/20 - 09/30/22	2,504,099	0	1,365,872	1,632,808	0	266,936	0
	<b>Subtotal: 84.425 GEER Continuity of Education and Equity Grant</b>					<b>2,504,099</b>	<b>0</b>	<b>1,365,872</b>	<b>1,632,808</b>	<b>0</b>	<b>266,936</b>	<b>0</b>
	<b>84.425 CRRSA ESSER II</b>											
	COVID - 19 CRRSA ESSER II	84.425D	I	-	03/13/20 - 09/30/23	551,316,151	0	52,642,008	54,175,461	0	1,533,453	0
	<b>Subtotal: 84.425 CRRSA ESSER II</b>					<b>551,316,151</b>	<b>0</b>	<b>52,642,008</b>	<b>54,175,461</b>	<b>0</b>	<b>1,533,453</b>	<b>0</b>
	<b>84.425 ARPA ESSER III</b>											
	COVID - 19 ARPA ESSER III	84.425U	I	-	03/13/20 - 09/30/24	1,115,153,056	0	0	5,325,102	0	5,325,102	0
	<b>Subtotal: 84.425 ARPA ESSER III</b>					<b>1,115,153,056</b>	<b>0</b>	<b>0</b>	<b>5,325,102</b>	<b>0</b>	<b>5,325,102</b>	<b>0</b>
	<b>84.425 Cares PCCD Health Safety</b>											
	COVID - 19 Cares PCCD Health Safety	84.425D	I	2020-ES-01-34929	03/13/20 - 09/30/22	5,960,479	0	0	5,190,051	0	5,190,051	0
	<b>Subtotal: 84.425 Cares Health Safety</b>					<b>5,960,479</b>	<b>0</b>	<b>0</b>	<b>5,190,051</b>	<b>0</b>	<b>5,190,051</b>	<b>0</b>
	<b>Subtotal 84.425 Education Stabilization Fund</b>					<b>1,797,061,545</b>	<b>0</b>	<b>163,340,019</b>	<b>175,470,515</b>	<b>0</b>	<b>12,130,495</b>	<b>0</b>

The accompanying notes form an integral part of this schedule.  
Totals may be off \$1. due to rounding.

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

Passed-Through Agency Cluster	Federal Agency	Federal CFDA Number	Source Code	Grantor Contract Number	Grant Period From	To	Total Grant Award	Receivable 6/30/2020	Cash Receipts	Federal Expenditures	Adjustments	Receivable 6/30/2021	Subrecipient Expenditures
							\$	\$	\$	\$	\$	\$	\$
	<b>Subtotal: PA Department of Education</b>												
							2,334,900,423	51,652,514	412,762,058	408,712,835	41,580	47,644,881	13,806,323
	<b>Drexel University</b>												
	<b>84.215 Innovative Approaches to Literacy; Promise Neighborhoods; and Full-Service Community Schools</b>												
		84.215	I	U215N160055	-	05/01/18 - 12/31/19	800,000	63,319	63,319	0	0	0	0
		84.215	I	U215N160055	-	01/01/20 - 12/31/20	800,000	449,312	654,156	204,843	0	0	0
		84.215	I	U215N160055	-	01/01/21 - 12/31/21	800,000	0	0	416,032	0	416,032	0
		84.215	I	U215N160055	-	02/17/17 - 12/31/21	246,535	(133,867)	0	0	0	(76,039)	0
							<b>2,646,535</b>	<b>378,765</b>	<b>717,475</b>	<b>678,704</b>	<b>0</b>	<b>339,993</b>	<b>0</b>
							<b>2,646,535</b>	<b>378,765</b>	<b>717,475</b>	<b>678,704</b>	<b>0</b>	<b>339,993</b>	<b>0</b>
	<b>Subtotal: Drexel University</b>												
							2,347,856,528	53,029,808	416,240,727	412,029,200	41,580	48,659,871	13,806,323
	<b>Total U.S. Department of Education</b>												
	<b>U.S. Department of Treasury</b>												
	<b>21.019 Coronavirus Relief Fund</b>												
		21.019	I	-	161-190778	03/01/20 - 11/30/20	1,068,782	0	1,068,782	1,068,782	0	0	0
							<b>1,068,782</b>	<b>0</b>	<b>1,068,782</b>	<b>1,068,782</b>	<b>0</b>	<b>0</b>	<b>0</b>
							<b>Subtotal: 21.019 PCK Cares</b>						
	<b>21.019 HSSAP Cares</b>												
		21.019	I	-	161-190778	03/01/20 - 11/30/20	642,411	0	642,411	642,411	0	0	0
							<b>642,411</b>	<b>0</b>	<b>642,411</b>	<b>642,411</b>	<b>0</b>	<b>0</b>	<b>0</b>
							<b>Subtotal: 21.019 HSSAP Cares</b>						
	<b>21.019 PCCD SDP Health Safety</b>												
		21.019	I	33-631	-	03/01/20 - 10/30/20	7,758,934	0	7,758,934	7,758,934	0	0	0
							<b>7,758,934</b>	<b>0</b>	<b>7,758,934</b>	<b>7,758,934</b>	<b>0</b>	<b>0</b>	<b>0</b>
							<b>Subtotal: 21.019 PCCD SDP Health Safety</b>						
	<b>21.019 PCCD IU Health Safety</b>												
		21.019	I	33-643	-	03/01/20 - 10/30/20	90,000	0	90,000	90,000	0	0	0
							<b>90,000</b>	<b>0</b>	<b>90,000</b>	<b>90,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
							<b>Subtotal: 21.019 PCCD IU Health Safety</b>						
	<b>21.019 PCCD AVTS Health Safety</b>												
		21.019	I	33-644	-	03/01/20 - 10/30/20	90,000	0	90,000	90,000	0	0	0
							<b>90,000</b>	<b>0</b>	<b>90,000</b>	<b>90,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
							<b>Subtotal: 21.019 PCCD AVTS Health Safety</b>						
							<b>Subtotal: 21.019 Coronavirus Relief Fund</b>		<b>9,660,127</b>	<b>9,660,127</b>	<b>0</b>	<b>0</b>	<b>0</b>
							<b>9,660,127</b>	<b>0</b>	<b>9,660,127</b>	<b>9,660,127</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total U.S. Department of Treasury</b>												
	<b>U.S. Department of Defense</b>												
	<b>Direct Programs</b>												
			D	20USC83475	-	07/01/19 - 06/30/20	79,762	79,762	0	0	0	0	0
			D	20USC83475	-	07/01/20 - 06/30/21	775,094	0	692,972	775,094	0	82,122	0
							<b>1,574,922</b>	<b>79,762</b>	<b>772,734</b>	<b>775,094</b>	<b>0</b>	<b>82,122</b>	<b>0</b>
							<b>Subtotal: 12.002 Procurement Technical Assistance For Business Firms</b>						
							<b>1,574,922</b>	<b>79,762</b>	<b>772,734</b>	<b>775,094</b>	<b>0</b>	<b>82,122</b>	<b>0</b>
	<b>Subtotal: Direct Programs</b>												
							<b>1,574,922</b>	<b>79,762</b>	<b>772,734</b>	<b>775,094</b>	<b>0</b>	<b>82,122</b>	<b>0</b>
	<b>Total U.S. Department of Defense</b>												
	<b>U.S. Department of Health and Human Services</b>												
	<b>Direct Programs</b>												
			D	03CH10025-04-01	-	07/01/19 - 06/30/20	41,653,984	5,943,440	6,288,440	345,000	0	0	0
			D	03CH011619-01-00	-	07/01/20 - 06/30/21	44,890,592	0	32,767,128	44,890,592	0	12,129,464	21,941,754
			D	03CH01161901C3	-	07/01/19 - 06/30/21	4,384,400	0	0	2,152,785	0	2,152,785	0
							<b>90,938,976</b>	<b>5,943,440</b>	<b>39,055,568</b>	<b>47,388,377</b>	<b>0</b>	<b>14,276,249</b>	<b>21,941,754</b>
							<b>Subtotal: 93.600 Head Start</b>						
							<b>90,938,976</b>	<b>5,943,440</b>	<b>39,055,568</b>	<b>47,388,377</b>	<b>0</b>	<b>14,276,249</b>	<b>21,941,754</b>

The accompanying notes form an integral part of this schedule. Totals may be off \$1. due to rounding.

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

Passed-Through Agency Cluster	Federal Agency Title	Federal CFDA Number	Source Code	Grant Period From	To	Grant Period From	To	Other	Grant Period From	To	Total Grant Award	Receivable 6/30/2020	Cash Receipts	Federal Expenditures	Adjustments	Receivable 6/30/2021	Subrecipient Expenditures
											\$	\$	\$	\$	\$	\$	\$
	<b>93.079 Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance</b>																
	Project ARREST	93.079	D	5U87PS00415203	-	08/01/15	-	07/31/16			313,310	(400)	0	0	400	0	0
	Project ARREST	93.079	D	5U87PS004289	-	08/01/19	-	07/31/20			300,000	112,735	112,305	100,708	0	101,137	0
	Project ARREST	93.079	D	5U87PS004289	-	08/01/20	-	07/31/21			300,000	0	0	186,723	0	186,723	0
	Youth Risk Behavior	93.079	D	5U87PS004289	-	08/01/19	-	07/30/21			60,000	27,021	27,021	15,207	0	15,207	0
	Youth Risk Behavior	93.079	D	5U87PS004152	-	08/01/14	-	On Going			1,500	(6,500)	0	5,000	(1,500)	0	0
	<b>Subtotal: 93.079 Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance</b>										<b>974,810</b>	<b>132,866</b>	<b>139,326</b>	<b>302,637</b>	<b>5,400</b>	<b>301,567</b>	<b>0</b>
	<b>93.137 Community Programs to Improve Minority Health Grant Program</b>																
	Philadelphia Youth Sports Collaboration	93.137	D	2101/20	-	05/19/19	-	12/31/22			13,000	0	13,000	0	0	(13,000)	0
	<b>Subtotal: 93.137 Community Programs to Improve Minority Health Grant Program</b>										<b>13,000</b>	<b>0</b>	<b>13,000</b>	<b>0</b>	<b>0</b>	<b>(13,000)</b>	<b>0</b>
	<b>PS18.1807 PASH Cares</b>																
	COVID - 19 Pash Cares	PS18:1807	D	CDC RFA PS18 1807	-	08/01/20	-	07/02/22			190,909	0	0	73,472	0	73,472	0
	<b>Subtotal: PS18.1807 Pash Cares</b>										<b>190,909</b>	<b>0</b>	<b>0</b>	<b>73,472</b>	<b>0</b>	<b>73,472</b>	<b>0</b>
	<b>Subtotal: Direct Programs</b>										<b>92,117,695</b>	<b>6,076,296</b>	<b>39,207,894</b>	<b>47,764,486</b>	<b>5,400</b>	<b>14,639,287</b>	<b>21,941,754</b>
	<b>PA Department of Education</b>																
	<b>TANF Cluster</b>																
	93.558 Temporary Assistance for Needy Families (TANF)																
	ELECT	93.558	I	-	-	41000714100	-	06/30/19			4,072,000	1,115,491	1,115,491	0	0	0	0
	ELECT	93.558	I	-	-	41000714100	-	06/30/20			4,072,000	2,374,213	2,374,213	3,690,278	0	1,316,065	0
	<b>Subtotal: 93.558 Temporary Assistance for Needy Families (TANF)</b>										<b>8,144,000</b>	<b>1,115,491</b>	<b>3,469,704</b>	<b>3,690,278</b>	<b>0</b>	<b>1,316,065</b>	<b>0</b>
	<b>Subtotal: TANF Cluster</b>										<b>8,144,000</b>	<b>1,115,491</b>	<b>3,469,704</b>	<b>3,690,278</b>	<b>0</b>	<b>1,316,065</b>	<b>0</b>
	<b>Subtotal: PA Department of Education</b>										<b>8,144,000</b>	<b>1,115,491</b>	<b>3,469,704</b>	<b>3,690,278</b>	<b>0</b>	<b>1,316,065</b>	<b>0</b>
	<b>PA Department of Human Services</b>																
	<b>Medicaid Cluster</b>																
	93.778 Medical Assistance Program																
	Health Related Transportation and Administration	93.778	I	N/A	N/A	07/01/17	-	On Going			710,494	(392,033)	0	392,033	0	0	0
	Health Related Transportation and Administration	93.778	I	N/A	N/A	07/01/17	-	On Going			741,172	0	741,172	407,967	0	(333,205)	0
	<b>Subtotal: 93.778 Medical Assistance Program</b>										<b>1,451,666</b>	<b>(392,033)</b>	<b>741,172</b>	<b>800,000</b>	<b>0</b>	<b>(333,205)</b>	<b>0</b>
	<b>Subtotal: Medicaid Cluster</b>										<b>1,451,666</b>	<b>(392,033)</b>	<b>741,172</b>	<b>800,000</b>	<b>0</b>	<b>(333,205)</b>	<b>0</b>
	<b>Subtotal: PA Department of Human Services</b>										<b>1,451,666</b>	<b>(392,033)</b>	<b>741,172</b>	<b>800,000</b>	<b>0</b>	<b>(333,205)</b>	<b>0</b>
	<b>Total U.S. Department of Health and Human Services</b>										<b>101,713,361</b>	<b>6,799,754</b>	<b>43,438,771</b>	<b>52,254,764</b>	<b>5,400</b>	<b>15,621,147</b>	<b>21,941,754</b>
	<b>U.S. Department of Justice</b>																
	<b>Direct Programs</b>																
	16.710 Public Safety Partnership and Community Policing Grants																
	COPS SVPP	16.710	D	2019SVWX006	-	09/23/19	-	09/30/21			500,000	581	216,516	292,963	0	77,028	0
	<b>Subtotal: 16.710 Public Safety Partnership and Community Policing Grants</b>										<b>500,000</b>	<b>581</b>	<b>216,516</b>	<b>292,963</b>	<b>0</b>	<b>77,028</b>	<b>0</b>
	<b>Subtotal: Direct Programs</b>										<b>500,000</b>	<b>581</b>	<b>216,516</b>	<b>292,963</b>	<b>0</b>	<b>77,028</b>	<b>0</b>
	<b>Total U.S. Department of Justice</b>										<b>500,000</b>	<b>581</b>	<b>216,516</b>	<b>292,963</b>	<b>0</b>	<b>77,028</b>	<b>0</b>
	<b>Grand Total</b>										<b>2,568,428,254</b>	<b>62,135,324</b>	<b>495,816,623</b>	<b>500,618,430</b>	<b>46,990</b>	<b>66,894,120</b>	<b>35,748,077</b>

The accompanying notes form an integral part of this schedule. Totals may be off \$1. due to rounding.

**SCHOOL DISTRICT OF PHILADELPHIA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**SCHOOL DISTRICT OF PHILADELPHIA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**1. Government of the School District**

The School District of Philadelphia (the “School District”) is a separate and independent home rule school district of the first class established by the Education Supplement to the Philadelphia Home Rule Charter (the “Charter”) in December 1965. It is the largest school district in the Commonwealth of Pennsylvania (the “Commonwealth”), serving over 201,800 students, including Charter Schools. The School District is the tenth largest in the United States in enrollment and employs more than 20,000 full-time professional and non-professional persons. The boundaries of the School District are coterminous with the boundaries of the City of Philadelphia (the “City”).

The School District is a political subdivision of the Commonwealth created to assist in the administration of the General Assembly’s duties under the Constitution of the Commonwealth to “provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth”. Although the School District is an independent legal entity, it is considered to be a component unit of the City of Philadelphia for reporting purposes and is included in the City’s Annual Comprehensive Financial Report.

Local governance by a Board of Education (Board) consisting of nine members appointed by the Mayor of the City of Philadelphia began on July 1, 2018 to coincide with the dissolution of the School Reform Commission at the end of the reporting period of Fiscal Year 2018. As prescribed, the Board is responsible for the overall operation, management, and educational programs of the School District, including all budgetary and financial matters presented herein. The duties of the Board generally include, but are not limited to, the formulation of educational policy, the adoption of an annual budget, the development of a comprehensive capital improvement budget and program, and the incurrence of indebtedness. The Superintendent of Schools beginning on July 1, 2018 reports to the local Board. The Superintendent during the Fiscal Year 2021 reporting period was Dr. William R. Hite, Jr., and the Chief Financial Officer was Uri Z. Monson.

The School District also serves as the agent for the Intermediate Unit No. 26, an entity established by the Commonwealth to provide special education, special education transportation, and related management services.

**SCHOOL DISTRICT OF PHILADELPHIA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**2. Organization and Scope**

For the fiscal year ended June 30, 2021, the School District of Philadelphia is presenting a Single Audit Report on expenditures of federal awards. This report is issued 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). The U.S. Department of Health and Human Services, National External Audit Review Center has been designated the organization-wide cognizant agency for the School District of Philadelphia's single audit.

**3. Major Programs**

Major federal programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**4. Schedule of Expenditures of Federal Awards**

Information contained in the Schedule of Expenditures of Federal Awards (SEFA) is derived from the School District's accounting systems. For reporting purposes, the School District adheres to the significant accounting policies which are in conformance with generally accepted accounting principles (GAAP) for local governmental units as prescribed by the Governmental Accounting Standards Board. Program expenditures recorded in the SEFA are presented on the modified accrual basis of accounting. The accompanying SEFA includes the federal grant activity of the School District under federal financial assistance programs for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of operations of the School District, it is not intended to present the financial position or changes in net position. Federal programs considered active during the year ended June 30, 2021, are reflected in the SEFA. An active federal program is defined as a federal program that incurred expenditures (adjustments) of funds or accrued (deferred) grant revenue adjustments during the fiscal year or a federal program considered as not completed or closed out at the beginning of the fiscal year.

Accrued and Unearned Grant Revenue — various worksheet schedules are used for the federal awards received by the School District. Consequently, timing differences between the recognition of revenues and related cash receipts can exist at the beginning and end of the fiscal year. Accrued grant revenue balances represent the excess of revenue recognized over cash received to date. Unearned grant revenue balances represent the excess of cash received over revenue recognized to date.



**SCHOOL DISTRICT OF PHILADELPHIA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**5. Schedule of Expenditures of Federal Awards – CFDA #10.555 – National School Lunch Program**

Information contained in the Schedule of Expenditures of Federal Awards (SEFA) for CFDA #10.555 – National School Lunch Program – includes Non-Cash Assistance pertaining to food commodities distributed by the United States Department of Agriculture (USDA). For fiscal years beginning July 1, 2008, commodities are identified with the programs under which USDA donated the commodities. Prior to this period, commodities were presented under a separate CFDA number (#10.550), which has been deleted by the USDA.

**6. Indirect Cost Rate**

The amount expended includes amounts claimed as indirect cost recovery using an approved indirect cost rate percent by the Pennsylvania Department of Education or as per the funding agencies approved budget. The School District has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

## **Section III.**

# **Independent Auditor's Reports on Compliance and Internal Control**



# CITY OF PHILADELPHIA

OFFICE OF THE CONTROLLER  
1230 Municipal Services Building  
1401 John F. Kennedy Boulevard  
Philadelphia, PA 19102-1679  
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REBECCA RHYNHART  
City Controller

CHRISTY BRADY  
Deputy City Controller

## 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 President and Members of  
The Board of Education of the  
School District of Philadelphia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Philadelphia, Pennsylvania (School District), a component unit of the City of Philadelphia, Pennsylvania, as of and for the year ended June 30, 2021, 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 February 21, 2022.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

CITY OF PHILADELPHIA  
OFFICE OF THE CONTROLLER

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. 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 significant deficiency.

**Compliance and Other Matters**

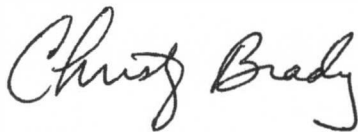
As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**School District's Response to Findings**

The School District's response to the 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 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.



CHRISTY BRADY, CPA  
Deputy City Controller  
Philadelphia, Pennsylvania  
July 19, 2022



# CITY OF PHILADELPHIA

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REBECCA RHYNHART  
City Controller

CHRISTY BRADY  
Deputy City Controller

## 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

To the President and Members of  
The Board of Education of the  
School District of Philadelphia

### Report on Compliance for Each Major Federal Program

We have audited the School District of Philadelphia, Pennsylvania'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 the School District's major federal programs for the year ended June 30, 2021. 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

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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.

**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, 2021.

**Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item [2021-001]. Our opinion on each major federal program is not modified with respect to this matter. The School District's response to the noncompliance 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 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 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.

CITY OF PHILADELPHIA  
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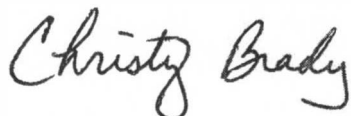
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item [2021-002], that we consider to be a significant deficiency.

The School District's response to the internal control 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.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District, a component unit of the City of Philadelphia, Pennsylvania, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated February 21, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CHRISTY BRADY, CPA  
Deputy City Controller  
Philadelphia, Pennsylvania  
July 19, 2022

## **Section IV.**

# **Schedule of Findings and Questioned Costs**



**SCHOOL DISTRICT OF PHILADELPHIA**

**Schedule of Findings and Questioned Costs – June 30, 2021**

Section I – Summary of Auditor’s Results:

*Financial Statements:*

Type of auditor’s report issued: Unmodified.

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_yes X no  
Significant deficiency(ies) identified? X yes \_\_\_\_\_none reported

Noncompliance material to financial statements noted? \_\_\_\_\_yes X no

*Federal Awards:*

Internal control over major federal programs:

Material weakness(es) identified? \_\_\_\_\_yes X no  
Significant deficiency(ies) identified? X yes \_\_\_\_\_none reported

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

Unmodified

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

\_\_\_ yes X no

Identification of major federal programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
School Breakfast Program	10.553
National School Lunch Program	10.555
Coronavirus Relief Fund	21.019
Career and Technical Education – Basic Grants to States	84.048
English Language Acquisition State Grants	84.365
Education Stabilization Funds	84.425
Head Start	93.600

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

Auditee qualified as low-risk auditee? X yes \_\_\_\_\_no

***SCHOOL DISTRICT OF PHILADELPHIA***

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***Schedule of Findings and Questioned Costs – June 30, 2021***

**Section II – Financial Statement Findings:**

**Page**

2021-001 Inadequate Review of Access Controls and Segregation of  
Duties – Significant Deficiency and Compliance Finding

23

**Section III – Federal Awards Findings and Questioned Costs:**

2021-002 Cash Management – Significant Deficiency and Compliance Finding  
Education Stabilization Funds – CFDA #84.425

25

**2021-001 INADEQUATE REVIEW OF ACCESS CONTROLS AND SEGREGATION OF DUTIES – SIGNIFICANT DEFICIENCY**

**Condition:** As part of our audit of the School District’s fiscal 2021 Annual Comprehensive Financial Report, we engaged an independent accounting firm to perform an assessment of the information technology application and general controls related to the School District’s new Oracle system which replaced its legacy ADVANTAGE system for general ledger processing.

This review noted that the School District has not established a formally documented Segregation of Duties policy that includes identification of incompatible roles, responsibilities, and permissions. System users have been assigned access based on job function role and location, however the specific access permissions of the roles have not been reviewed by the District. Due to the lack of review, the identification of incompatible permissions within or across roles has not been performed. In addition, a periodic user access review has not been performed since the implementation of the system, which went live on July 1, 2020. Lastly, a documented security program or policy, including the District’s responsibility over the Oracle system, was not provided.

**Criteria:** Although the Oracle system is a vendor hosted system, there are aspects of the security and provisioning of access to the system, which is the responsibility of the School District. Incompatible roles, responsibilities and permissions should be established to enforce segregation of duties in both the provisioning and the periodic reviewing of user access.

**Effect:** There may be users with access not commensurate with their job responsibilities. In addition, users may have access across incompatible roles, responsibilities, and permissions within the system, thereby potentially allowing a user to bypass system controls.

**Cause:** As part of the system implementation, there was no requirement to identify incompatible user access permissions. A periodic review of access has not been performed due to the current focus on the implementation of the Oracle HR system.

**Recommendation:** The District should formally identify the areas of responsibility related to security and provisioning of access related to the Oracle system and include them in an overall security program or policy. As part of this security program or policy, a requirement for the performance of a periodic access review should be included. There should also be a comprehensive document that clearly identifies incompatible roles, responsibilities, and permissions. These segregation of duty considerations should be included in the periodic access reviews [306021.01].

**Views of the Responsible Officials and Corrective Action Plan:**

**Response:** A new state of the art cloud-based Oracle Enterprise Resource Planning Finance System (“ERP Finance System”) went live starting with the fiscal year beginning July 1, 2020. This was a major accomplishment for the School District of Philadelphia (“The District”) because it allowed remote access to the ERP System during the COVID-19 Pandemic and significantly improved financial controls and transparency of financial information.

The District appreciates the initial assessment and evaluation of the ERP Systems’ IT General and Application Controls which was performed by Eisner Advisory Group, LLC on behalf of the Office of the City of Philadelphia Controller for Fiscal Year 2021 (the first year in production for a three-year implementation). The District acknowledges that we will take corrective actions for the one significant deficiency related to access controls and segregation of duties and are pleased that all other observations in the remaining five key areas

## ***SCHOOL DISTRICT OF PHILADELPHIA***

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### ***Financial Statement Findings – June 30, 2021***

reviewed were either not applicable because there were no exceptions noted or a control deficiency of a non-major or non-significant consequence to compromise the systems' financial controls and data integrity. We commit all such findings will be rectified timely.

The District agrees with the recommendations for Finding 2021-001 and will implement the following initiatives within the next six months and continue to keep them updated periodically:

- Formally document the areas of responsibility related to access to the ERP Finance System.
- Expand upon the current security program/policy to include a more comprehensive policy with detailed procedures and documentation.
- Based upon this documentation and policy, annually perform a system access review which will be a requirement included in the policy. Segregation of duty analyses will be included as part of this review.
- Prepare a comprehensive formal document which will clearly identify incompatible roles, responsibilities and security permissions.

The District takes very seriously the security and controls associated with our ERP Finance System. During the implementation of the Oracle ERP Finance system, measures were taken to review all roles that would be assigned to system users so that they could perform their necessary job functions. Although the roles and privileges were not formally documented, roles and privileges were reviewed by the Information Technology Office and System Module Team Leads and assigned based upon segregation of duties and internal control and regulatory compliance considerations.

A documented security program/policy was created as part of the ERP System implementation and provided to the auditors. However, the District commits that the policy will be updated to include a more comprehensive and detailed list of roles and privileges. Any roles that are added subsequently will be updated within the policy document, along with implementing a periodic annual review of all users and roles assigned to them.

The District thanks our auditors for recognizing the achievement and accomplishment of implementing our new ERP Finance System. We also appreciate that during the exit conference they recognized the relatively few general and application control findings associated with the implementation of a new ERP System. This was accomplished remotely during a world-wide pandemic.

**2021-002 CASH MANAGEMENT – SIGNIFICANT DEFICIENCY AND COMPLIANCE FINDING**

**Education Stabilization Funds – CFDA #84.425**

**Condition:** In our review of the School District’s (District) interest calculations and remittances for grants that received advanced funds, we found that the District did not include \$9,151 of interest earned on advances received from the PA Department of Education (PDE). The interest calculation for the Education Stabilization Funds Program (ESF) was erroneously omitted from the District’s annual interest calculation and remittance in February 2022. District management concurred with our finding and recalculated the interest due, and remitted the funds to the PDE. The funding for this grant is from the U.S. Department of Education.

**Criteria:** 2 CFR section 200.305(9) Interest earned amounts up to \$500 per year may be retained by the non-federal entity for administrative expense. Any additional interest earned on federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either the Automated Clearing House (ACH) network or a Fedwire Funds Service payment.

**Effect:** The School District’s erroneous omission delayed payment of \$9,151 in interest earned on fiscal 2021 ESF cash advances.

**Cause:** Although the School District has a process in place to identify all new grants, there was a breakdown in the process for calculating the total amount of interest due on advance grants. Consequently, the ESF grant was not ported to the final annual interest calculation spreadsheet and was omitted from the remittance. This resulted in an understatement of interest owed to the PDE.

**Recommendations:** We recommend that the School District strengthen its internal controls over the interest calculation process to ensure that grants are not omitted from the annual calculation and remittance.

**Views of the Responsible Officials and Corrective Action Plan:**

**Contact Person:** Charles Gibson, Accounting Manager, Office of General Accounting, School District of Philadelphia, (215)400-6102

**Response:** The District agrees with the auditor’s assessment and recommendations and that we incorrectly did not remit interest earned of \$9,151 (0.008 %) of the Education Stabilization Funds Program (ESF) received in the audit period due to human error and subsequently corrected it. The District will improve the quality controls by: 1) having an additional level of management review and approval, and, 2) document the calculation procedures so that no steps in the process are missed. However, the District believes that a \$9,000 finding in the context of \$690 million in activity does not rise to the level of a significant deficiency because there was a process in place to check for advance grants using the FAI (Financial Accounting Information System) PDE website, and all the other grants under audit were correctly included and interest remitted as required. The District has already implemented the corrective action and will ensure that this same circumstance will not reoccur in the future.

## **Section V.**

# **Summary Schedule of Prior Audit Findings**

**SCHOOL DISTRICT OF PHILADELPHIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FISCAL YEAR ENDED JUNE 30, 2021**

There were no prior year findings required to be reported under the Federal Single Audit Act.

## **Section VI.**

# **Corrective Action Plan**

**The Corrective Action Plan can be found in the ‘Grantee’s Response’ section of each audit finding. The contact person for questions related to the Plan is Joseph D Alessandro Chief Grant Development and Compliance Manager(Phone: (215) 400-6540).**