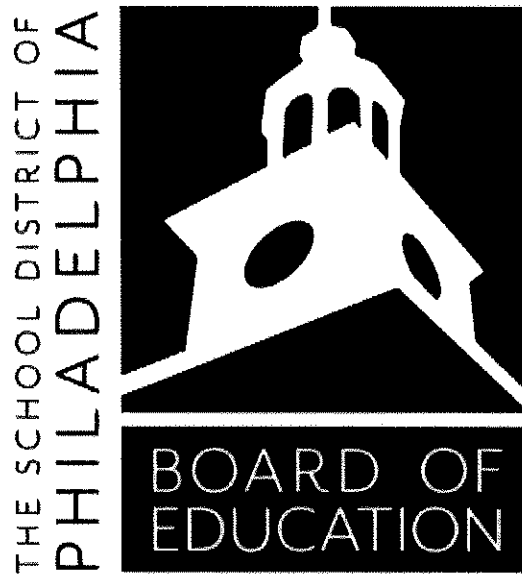


# **School District of Philadelphia Pennsylvania**

## **Schedule of Financial Assistance**



**Fiscal Year Ended June 30, 2023**

**School District of Philadelphia  
Pennsylvania**

**Schedule of Financial  
Assistance**

**Fiscal Year Ended June 30, 2023**

**Prepared By:  
Office of General Accounting**

**SCHOOL DISTRICT OF PHILADELPHIA  
SCHEDULE OF FINANCIAL ASSISTANCE FOR THE FISCAL  
YEAR ENDED JUNE 30, 2023**

Table of Contents

<b>Section I – Introductory Section .....</b>	<b>1 - 3</b>
Letter of Transmittal .....	1 - 3
<b>Section II – Schedule of Expenditures of Federal Awards .....</b>	<b>4 - 12</b>
Federal Agencies:	
U.S. Department of Agriculture .....	5
U.S. Department of Education .....	5 - 8
U.S. Department of Treasury .....	8
U.S. Department of Defense .....	8
U.S. Department of Health and Human Services.....	8 - 9
U.S. Department of Justice .....	9
U.S. Department of Environmental Protection Agency .....	9
U.S. Department of Homeland Security .....	9
Notes to the Schedule of Expenditures of Federal Awards.....	10 - 12
<b>Section III – Independent Auditor’s Report on Compliance and Internal Control .....</b>	<b>13 - 19</b>
<b>Section IV – Schedule of Findings and Questioned Costs .....</b>	<b>20 - 25</b>
<b>Section V – Summary Schedule of Prior Audit Findings .....</b>	<b>26 - 30</b>
<b>Section VI – Corrective Action Plan .....</b>	<b>31 - 33</b>

# **Section I.**

## **Introductory Section**



THE SCHOOL DISTRICT OF  
PHILADELPHIA

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

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

March 25, 2024

Board of Education  
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, 2023, 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 Act requires the School District to have an annual audit performed on its entire operations, including separate reporting on its federal financial activity or the SEFA.

The School District’s Annual Comprehensive Financial Report (“ACFR”) for the Fiscal Year ended June 30, 2023, presents the entire operations of the School District. The ACFR was issued under separate cover on February 16, 2024. 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 March 25, 2024, 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, 2023, 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.

---

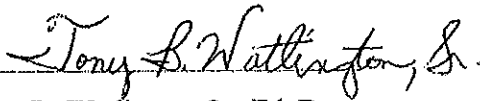
**PLAN FOR CORRECTIVE ACTION**

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,



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



Michael Herbstman  
Chief Financial Officer

## **Section II.**

# **Schedule of Expenditures of Federal Awards**



Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023

Federal Agency	Passed-Through Agency	Federal Cluster	Federal Program Title	Federal AL Number	Source Code	Grantor Contract Federal	Number Other	Total Grant Award	Receivable /	Cash	Federal Expenditures	Adjustments	Receivable /	Subrecipient Expenditures
									(Deferred Revenue) 6/30/2022				(Deferred Revenue) 6/30/2023	
								\$	\$	\$	\$	\$	\$	\$
U.S. Department of Agriculture														
PA Department of Agriculture														
Child Nutrition Cluster														
			10.555 National School Lunch Program											
			Non-Cash Assistance (Commodities)	10.555	I	2-08-51-500	-	3,792,377	(316,983)	0	316,983	0	0	0
			Non-Cash Assistance (Commodities)	10.555	I	2-08-51-500	-	2,852,322	0	2,852,322	2,711,634	(8,259)	(148,947)	0
			Subtotal: 10.555 National School Lunch Program					6,644,699	(316,983)	2,852,322	3,028,617	(8,259)	(148,947)	0
Subtotal: PA Department of Agriculture								6,644,699	(316,983)	2,852,322	3,028,617	(8,259)	(148,947)	0
PA Department of Education														
Child Nutrition Cluster														
			10.553 School Breakfast Program											
			Breakfast - Cash Assistance	10.553	I	-	-	17,173,849	2,735,537	2,735,537	0	0	0	0
			Breakfast - Cash Assistance	10.553	I	-	-	16,974,880	0	14,290,623	16,974,880	0	2,684,257	0
			Subtotal: 10.553 School Breakfast Program					34,148,729	2,735,537	17,026,160	16,974,880	0	2,684,257	0
			10.555 National School Lunch Program											
			Lunch and Snack - Cash Assistance	10.555	I	F82024	-	46,694,670	6,886,768	6,886,768	0	0	0	0
			Lunch and Snack - Cash Assistance	10.555	I	F82024	-	44,776,695	0	38,030,225	44,770,745	0	6,740,520	0
			Subtotal: 10.555 National School Lunch Program					91,471,365	6,886,768	44,916,993	44,770,745	0	6,740,520	0
			10.555 National School Lunch Program											
			Supply Chain Assistance	10.555	I	F82024	-	2,912,293	0	2,912,293	2,912,293	0	0	0
			Subtotal: 10.555 National School Lunch Program					2,912,293	0	2,912,293	2,912,293	0	0	0
Subtotal: Child Nutrition Cluster								135,177,085	9,305,322	67,707,768	67,686,535	(8,259)	9,275,829	0
			10.558 Child and Adult Care Food Program											
			Twilight Feeding - Child and Adult Care Food Program	10.558	I	F92025	-	1,768,684	301,283	301,283	0	0	0	0
			Twilight Feeding - Child and Adult Care Food Program	10.558	I	F92025	-	3,225,557	0	2,718,756	3,225,557	0	506,801	0
			Child and Adult Care Food Program	10.558	I	F92025	-	1,542,149	456,283	456,283	0	0	0	0
			Child and Adult Care Food Program	10.558	I	F92025	-	2,465,709	0	1,807,864	2,465,709	0	657,845	0
			Subtotal: 10.558 Child and Adult Care Food Program					9,002,099	757,566	5,284,186	5,691,266	0	1,164,645	0
			10.582 Fresh Fruit and Vegetable Program											
			Lunch and Snack	10.582	I	F82024	-	109,386	0	90,125	109,386	0	19,261	0
			Subtotal: 10.582 Fresh Fruit and Vegetable Program					109,386	0	90,125	109,386	0	19,261	0
			10.649 Covid 19 - Pandemic EBT Administrative Costs											
			COVID 19 Pandemic - EBT Local Administrative Cost	10.649	I	-	-	5,950	0	5,950	5,950	0	0	0
			Subtotal: 10.649 Covid 19 - Pandemic EBT Administrative Costs					5,950	0	5,950	5,950	0	0	0
Subtotal: PA Department of Education								137,649,822	10,379,871	70,235,708	70,464,520	0	10,608,683	0
Penn State University														
SNAP Cluster														
			10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program											
			Pennsylvania Nutrition Education Plan	10.561	I	4100069151	1664-SDP-COP-9151	2,541,912	765,049	0	34,464	(799,533)	0	0
			Pennsylvania Nutrition Education Plan	10.561	I	4100069151	1664-SDP-COP-9151	903,798	(311,860)	0	618,385	(312,458)	(5,932)	0
			Pennsylvania Nutrition Education Plan	10.561	I	4100069151	1664-SDP-COP-9151	976,232	0	0	976,232	0	976,232	0
			Subtotal: 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program					4,421,942	453,189	0	1,629,101	(1,111,991)	970,300	0
Subtotal: SNAP Cluster								4,421,942	453,189	0	1,629,101	(1,111,991)	970,300	0
Subtotal: Penn State University								4,421,942	453,189	0	1,629,101	(1,111,991)	970,300	0
Total U.S. Department of Agriculture								148,716,463	10,516,077	78,088,030	75,122,238	(1,120,250)	11,430,036	0
U.S. Department of Education														
Direct Programs														
			84.041 Impact Aid											
			Impact Area Aid	84.041	D	50418-2018-4404	48-PA-2017-1012	224,563	0	224,563	224,563	0	0	0
			Subtotal: 84.041 Impact Aid					224,563	0	224,563	224,563	0	0	0
			84.184 School Safety National Activities											
			School Climate Initiative	84.184G	D	5184G140369-16	-	624,416	160,759	0	0	0	160,759	0
			Project Prevent Grant	84.184M	D	5184M190011	-	538,313	97,318	239,090	141,773	0	0	0
			Project Prevent Grant	84.184M	D	5184M190011	-	599,771	0	15,235	311,957	0	296,722	0
			Subtotal: 84.184 School Safety National Activities					1,762,500	258,076	254,325	453,730	0	457,481	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, 2023**

Passed- Federal Agency	Through Federal Agency	Federal Cluster	Federal Program Title	Federal AL Number	Source Code	Grantor Contract Federal	Number Other	Total Grant Award	Receivable /	Cash Receipts	Federal Expenditures	Adjustments	Receivable /	Subrecipient Expenditures
									(Deferred Revenue) 6/30/2022				(Deferred Revenue) 6/30/2023	
								\$	\$	\$	\$	\$	\$	\$
<b>84.334 Gaining Early Awareness and Readiness for Undergraduate Programs</b>														
			GEAR UP Partnership	84.334A	D	P344A140100	-	2,481,961	147,600	147,600	0	0	0	0
			GEAR UP Partnership	84.334A	D	P334A210108	-	4,394,400	199,678	1,902,422	1,853,487	0	150,742	0
<b>Subtotal: 84.334 Gaining Early Awareness and Readiness for Undergraduate Programs</b>								<b>6,876,361</b>	<b>347,278</b>	<b>2,050,022</b>	<b>1,853,487</b>	<b>0</b>	<b>150,742</b>	<b>0</b>
<b>Subtotal: Direct Programs</b>								<b>8,863,424</b>	<b>605,355</b>	<b>2,528,911</b>	<b>2,531,779</b>	<b>0</b>	<b>608,223</b>	<b>0</b>
<b>PA Department of Education</b>														
<b>84.010 Title I Grants to Local Educational Agencies</b>														
			Part A - Basic	84.010	I	S010A130038A	013-22-0335	155,178,553	16,746,996	26,099,458	7,934,267	1,418,194	0	0
			Part A - Basic	84.010	I	S010A130038A	013-23-0335	152,743,530	0	141,838,951	132,224,501	0	(9,614,450)	0
			School Improvement - Set Aside	84.010	I	S010A090038A	042-19-0335	20,088,658	0	0	(5,678,107)	5,678,107	0	0
			School Improvement - Set Aside	84.010	I	S010A090038A	042-20-0335	18,447,238	0	0	(8,504,854)	8,504,854	(0)	0
			School Improvement - Set Aside	84.010	I	S010A090038A	042-21-0335	21,217,288	16,323,821	0	(2,140,860)	(14,182,961)	0	0
			School Improvement - Set Aside	84.010	I	S010A090038A	042-22-0335	22,903,052	0	22,903,052	37,928,534	0	15,025,482	0
			Title I (IU26)	84.010	I	3993220	013-21-0626	50,000	28,571	28,571	0	0	0	0
			Title I (IU26)	84.010	I	3993220	013-22-0626	50,000	43,907	50,000	6,093	0	0	0
			Title I (IU26)	84.010	I	3993220	013-23-0626	60,000	0	0	47,713	0	47,713	0
			IU 26 Statewide System of Support Standard Base	84.010	I	3993919	156-230626	124,941	0	0	124,941	0	124,941	0
<b>Subtotal: 84.010 Title I Grants to Local Educational Agencies</b>								<b>390,863,260</b>	<b>33,149,295</b>	<b>190,920,033</b>	<b>161,942,229</b>	<b>1,418,194</b>	<b>5,583,686</b>	<b>0</b>
<b>(1) 84.027 Special Education Grants to States</b>														
			IDEA-B	84.027	I	H027A200093	062-21-0026A	42,552,309	(107,195)	0	0	107,195	0	0
			IDEA-B	84.027	I	H027A110093	062-22-0026A	52,707,760	2,445,887	14,055,403	25,664,918	(12,096,505)	1,958,898	0
			IDEA-B	84.027	I	H027A150162	062-23-0026A	48,839,585	0	29,632,339	21,361,855	12,096,505	3,826,021	14,476,562
			ABA Services Grant	84.027	I	062-18-0035	-	424,160	261,732	261,732	0	0	0	0
			ABA Services Grant	84.027	I	062-18-0035	-	424,160	0	98,079	273,389	0	175,311	0
			P2G Sim Stipend	84.027	I	-	-	1,500	(529)	0	0	0	(529)	0
			P2G Sim Stipend	84.027	I	-	-	27,000	(27,000)	0	0	0	(27,000)	0
			P2G Sim Stipend	84.027	I	-	-	39,000	(39,000)	0	7,212	0	(31,788)	0
			Project Career Launch	84.027	I	CIE 2019 21 19	-	15,000	(9,115)	15,000	0	0	(4,115)	0
<b>Subtotal: 84.027 Special Education Grants to States</b>								<b>145,030,474</b>	<b>2,524,776</b>	<b>44,062,552</b>	<b>47,307,375</b>	<b>107,195</b>	<b>5,876,793</b>	<b>14,476,562</b>
<b>84.173 Special Education Preschool Grants</b>														
			Special Education Preschool Grants	84.173	I	S156-20-1-7200-000	131-210026	81,540	0	81,540	81,540	0	0	0
<b>Subtotal: 84.173 Special Education Preschool Grants</b>								<b>81,540</b>	<b>0</b>	<b>81,540</b>	<b>81,540</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(1) Subtotal: Special Education Cluster</b>								<b>145,112,014</b>	<b>2,524,776</b>	<b>44,144,092</b>	<b>47,388,915</b>	<b>107,195</b>	<b>5,876,793</b>	<b>14,476,562</b>
<b>84.377 School Improvement Grants</b>														
			School Improvement Grant	84.377	I	142-160335	-	1,220,629	(146,842)	0	0	146,842	0	0
			School Improvement Grant	84.377	I	142-170335	-	1,220,629	149,383	0	0	(146,842)	2,541	0
			School Improvement Grant - Cohort 6	84.377	I	S377A150039	142-211335	374,429	187,215	187,215	0	0	0	0
<b>Subtotal: 84.377 School Improvement Grants</b>								<b>2,815,687</b>	<b>189,755</b>	<b>187,215</b>	<b>0</b>	<b>0</b>	<b>2,541</b>	<b>0</b>
<b>84.196 Education for Homeless Children and Youth</b>														
			Homeless Children & Youth	84.196A	I	081-21-0150	-	592,520	282,452	0	0	0	282,452	0
			Homeless Children & Youth	84.196A	I	081-22-0150	-	526,413	0	438,678	526,413	0	87,736	0
<b>Subtotal: 84.196 Education for Homeless Children and Youth</b>								<b>1,118,933</b>	<b>282,452</b>	<b>438,678</b>	<b>526,413</b>	<b>0</b>	<b>370,188</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	S010A100038A	107-22-0335	318,337	0	318,337	318,337	0	0	0
			Neglected and Delinquent Children	84.013	I	S010A100038A	107-23-0335	635,858	264,941	105,976	0	0	158,964	0
<b>Subtotal: 84.013 Title I State Agency Program for Neglected and Delinquent Children and Youth</b>								<b>954,195</b>	<b>264,941</b>	<b>424,313</b>	<b>318,337</b>	<b>0</b>	<b>158,964</b>	<b>0</b>
<b>84.048 Career and Technical Education - Basic Grants to States</b>														
			Secondary Allocation	84.048	I	V048A120038	380-220051	6,022,700	497,638	640,449	142,811	0	0	0
			Secondary Allocation	84.048	I	V048A120038	380-230059	6,344,266	0	2,114,755	5,911,395	0	3,796,639	0
<b>Subtotal: 84.048 Career and Technical Education - Basic Grants to States</b>								<b>12,366,966</b>	<b>497,638</b>	<b>2,755,205</b>	<b>6,054,206</b>	<b>0</b>	<b>3,796,639</b>	<b>0</b>
<b>84.365 English Language Acquisition State Grants</b>														
			Title III Language LEP	84.365	I	010-22-0335A	-	3,706,533	(36,719)	2,181,340	2,218,059	0	0	0
			Title III Language LEP	84.365	I	010-23-0335A	-	3,823,266	0	1,287,746	584,072	0	(703,675)	0
<b>Subtotal: 84.365 English Language Acquisition State Grants</b>								<b>7,529,799</b>	<b>(36,719)</b>	<b>3,469,086</b>	<b>2,802,130</b>	<b>0</b>	<b>(703,675)</b>	<b>0</b>
<b>84.366 Mathematics and Science Partnerships</b>														
			PDE/MSP Title II Part B Math and Science	84.366	I	075-14-0335	-	270,197	(36,447)	(36,447)	0	0	0	0
<b>Subtotal: 84.366 Mathematics and Science Partnerships</b>								<b>270,197</b>	<b>(36,447)</b>	<b>(36,447)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>84.367 Supporting Effective Instruction State Grants</b>														
			IU 26 Statewide System of Support Standard Base	84.367	I	3993919	156-230626	167,459	0	0	167,459	0	167,459	0
			IU 26 Statewide System of Support Standard Base	84.367	I	3993920	149-220626	9,200	5,223	5,223	0	0	0	0
			IU 26 Statewide System of Support Standard Base	84.367	I	3993920	149-220626	10,800	0	0	10,603	0	10,603	0
			Improving Teacher Quality (Class Size Reduction)	84.367	I	S357A150051	020-21-0335	11,411,620	6,170,456	6,170,456	0	0	0	0
			Improving Teacher Quality (Class Size Reduction)	84.367	I	S357A150051	020-22-0335	10,837,898	(260,320)	7,212,343	7,472,663	0	0	0
			Improving Teacher Quality (Class Size Reduction)	84.367	I	S357A150051	020-23-0335	10,120,744	0	4,264,094	1,471,814	0	(2,792,280)	0
<b>Subtotal: 84.367 Supporting Effective Instruction State Grants</b>								<b>32,557,721</b>	<b>5,915,359</b>	<b>17,652,116</b>	<b>9,122,539</b>	<b>0</b>	<b>(2,614,218)</b>	<b>0</b>

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023**

Federal Agency	Passed-Through Agency Cluster	Federal Program Title	Federal AL Number	Source Code	Grantor Contract Federal	Number Other	Total Grant Award	Receivable /	Cash Receipts	Federal Expenditures	Adjustments	Receivable /	Subrecipient Expenditures
								(Deferred Revenue) 6/30/2022				(Deferred Revenue) 6/30/2023	
							\$	\$	\$	\$	\$	\$	\$
		<b>84.424 Student Support and Academic Enrichment Program</b>											
		Title IV Student Support and Academic Enrichment Program	84.424	I	144-220335	-	11,227,490	1,870,146	1,870,146	0	0	0	0
		Title IV Student Support and Academic Enrichment Program	84.424	I	144-230335	-	12,229,780	0	10,818,056	12,229,780	0	1,411,724	0
		Aspiring 2 Educate	84.424A	I	S424A190039	-	490,812	114,697	0	0	0	114,697	0
		<b>Subtotal: 84.424 Student Support and Academic Enrichment Program</b>					<b>23,948,082</b>	<b>1,984,843</b>	<b>12,688,202</b>	<b>12,229,780</b>	<b>0</b>	<b>1,526,421</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 Emergency Relief (ESSER) Fund	84.425D	I	FA-200-20-0335	-	113,715,574	(5,323,318)	(2,812,893)	2,510,425	0	0	0
		<b>Subtotal: 84.425 Education stabilization fund under the coronavirus aid, relief and economic act</b>					<b>113,715,574</b>	<b>(5,323,318)</b>	<b>(2,812,893)</b>	<b>2,510,425</b>	<b>0</b>	<b>0</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	-	1,655,696	609,993	609,993	0	0	0	0
		<b>Subtotal: 84.425 GEER Special ED Covid 19</b>					<b>1,655,696</b>	<b>609,993</b>	<b>609,993</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>84.425 Governors Emergency Education Relief ATSI SD</b>											
		COVID 19 Governors Emergency Education Relief ATSI SD	84.425C	I	FA-254-20-0335	-	1,434,597	672,629	674,649	2,020	0	0	0
		<b>Subtotal: 84.425 Governors Emergency Education Relief ATSI SD</b>					<b>1,434,597</b>	<b>672,629</b>	<b>674,649</b>	<b>2,020</b>	<b>0</b>	<b>0</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 Grant Governors emergency education relief	84.425C	I	FA-253-20-0335	-	2,237,667	(271,333)	(271,333)	0	0	0	0
		<b>Subtotal: 84.425 Continuity of Education and Equity Governors Emergency Education Relief</b>					<b>2,237,667</b>	<b>(271,333)</b>	<b>(271,333)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>84.425 GEER Continuity of Education and Equity Grant</b>											
		COVID 19 GEER Continuity of Education and Equity Grant	84.425C	I	354-21-0059A	-	2,504,099	853,901	1,098,240	244,339	0	0	0
		<b>Subtotal: 84.425 GEER Continuity of Education and Equity Grant</b>					<b>2,504,099</b>	<b>853,901</b>	<b>1,098,240</b>	<b>244,339</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>84.425 CRRSA ESSER II</b>											
		COVID 19 CRRSA ESSER II	84.425D	I	FA-200-21-0335 A	-	551,316,151	(12,471,017)	51,106,699	63,743,477	0	165,762	0
		<b>Subtotal: 84.425 CRRSA ESSER II</b>					<b>551,316,151</b>	<b>(12,471,017)</b>	<b>51,106,699</b>	<b>63,743,477</b>	<b>0</b>	<b>165,762</b>	<b>0</b>
		<b>84.425 ARPA ESSER III</b>											
		COVID 19 ARPA ESSER III	84.425U	I	223-21-0335	-	1,115,153,056	31,449,973	182,479,591	175,116,004	0	24,086,386	0
		<b>Subtotal: 84.425 ARPA ESSER III</b>					<b>1,115,153,056</b>	<b>31,449,973</b>	<b>182,479,591</b>	<b>175,116,004</b>	<b>0</b>	<b>24,086,386</b>	<b>0</b>
		<b>84.425 Cares PCCO Health Safety</b>											
		COVID 19 Cares PCCO Health Safety	84.425D	I	2020-ES-01-34929	34929	5,960,479	770,429	770,429	0	0	0	0
		<b>Subtotal: 84.425 Cares Health Safety</b>					<b>5,960,479</b>	<b>770,429</b>	<b>770,429</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>84.425 Geer II CTE</b>											
		COVID 19 Geer II CTE	84.425C	I	S425C210013	-	2,431,846	(759,952)	0	214,013	0	(545,939)	0
		<b>Subtotal: 84.425 Geer II CTE</b>					<b>2,431,846</b>	<b>(759,952)</b>	<b>0</b>	<b>214,013</b>	<b>0</b>	<b>(545,939)</b>	<b>0</b>
		<b>84.425 ARPA ESSER 2.5%</b>											
		COVID 19 ARPA ESSER 2.5% Sea Reserve	84.425C	I	FA-224-21-0335	-	7,771,191	0	706,472	589,639	0	(116,833)	0
		<b>Subtotal: 84.425 ARPA ESSER 2.5%</b>					<b>7,771,191</b>	<b>0</b>	<b>706,472</b>	<b>589,639</b>	<b>0</b>	<b>(116,833)</b>	<b>0</b>
		<b>84.425 ARPA ESSER 7%</b>											
		COVID 19 ARPA ESSER 7%	84.425U	I	FA-225-21-0335	-	86,672,451	(4,727,588)	3,151,726	62,647,379	0	54,768,065	0
		<b>Subtotal: 84.425 ARPA ESSER 7%</b>					<b>86,672,451</b>	<b>(4,727,588)</b>	<b>3,151,726</b>	<b>62,647,379</b>	<b>0</b>	<b>54,768,065</b>	<b>0</b>
		<b>84.425 ARP Homeless Children Youth I</b>											
		COVID 19 ARP Homeless Children Youth I	84.425W	I	S425W210039-21A	-	1,082,892	0	0	124,098	0	124,098	0
		<b>Subtotal: 84.425 ARP Homeless Children Youth I</b>					<b>1,082,892</b>	<b>0</b>	<b>0</b>	<b>124,098</b>	<b>0</b>	<b>124,098</b>	<b>0</b>
		<b>84.425 ARP ESSER Homeless Child Youth HYC II</b>											
		COVID 19 ARP Homeless Child Youth HYC II	84.425W	I	S425W210039-21A	-	3,735,277	(190,275)	766,211	1,087,894	0	131,409	0
		<b>Subtotal: 84.425 ARP Homeless Child Youth HYC II</b>					<b>3,735,277</b>	<b>(190,275)</b>	<b>766,211</b>	<b>1,087,894</b>	<b>0</b>	<b>131,409</b>	<b>0</b>
		<b>84.425 GEER II IU26</b>											
		COVID 19 GEER II IU26	84.425R	I	FA-225-21-0626B	IU26	31,347,555	1,342,598	12,171,882	12,669,219	0	1,839,935	0
		<b>Subtotal: 84.425 GEER II IU26</b>					<b>31,347,555</b>	<b>1,342,598</b>	<b>12,171,882</b>	<b>12,669,219</b>	<b>0</b>	<b>1,839,935</b>	<b>0</b>
		<b>84.425 ARPA ESSER SET ASIDE IU 025</b>											
		COVID 19 ARPA ESSER SET ASIDE IU 025	84.425C	I	224-21-0626	-	7,267,296	(264,265)	7,003,031	7,267,296	0	0	0
		<b>Subtotal: 84.425 ARPA ESSER SET ASIDE IU 025</b>					<b>7,267,296</b>	<b>(264,265)</b>	<b>7,003,031</b>	<b>7,267,296</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>84.425 Statewide System of Support IU 26</b>											
		COVID 19 IU 26 Statewide System of Support Standard Base	84.425D	I	3993919	156-22-0626	140,729	93,819	93,819	0	0	0	0
		<b>Subtotal: 84.425 Statewide System of support IU 26</b>					<b>140,729</b>	<b>93,819</b>	<b>93,819</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>84.425 EANS II Non public Assistance Program</b>											
		COVID 19 EANS II Non Public Assistance Program (IU)	84.425V	I	FA-258-22-0626	-	51,364,342	0	8,932,929	1,072,867	0	(7,860,062)	0
		<b>Subtotal: 84.425 EANS II Non Public Assistance Program</b>					<b>51,364,342</b>	<b>0</b>	<b>8,932,929</b>	<b>1,072,867</b>	<b>0</b>	<b>(7,860,062)</b>	<b>0</b>
		<b>Subtotal 84.425 Education Stabilization Fund</b>					<b>1,985,790,897</b>	<b>11,785,594</b>	<b>266,481,444</b>	<b>327,289,669</b>	<b>0</b>	<b>72,592,820</b>	<b>0</b>
		<b>Subtotal: PA Department of Education</b>					<b>2,603,327,751</b>	<b>56,515,487</b>	<b>539,123,934</b>	<b>567,673,218</b>	<b>1,525,388</b>	<b>86,590,159</b>	<b>14,476,562</b>

**Schedule of Expenditures of Federal Awards**  
For the Year Ended June 30, 2023

Federal Agency	Passed-Through Federal Cluster	Federal Program Title	Federal AL Number	Source Code	Grantor Contract Federal	Number Other	Total Grant Award	Receivable /	Cash	Federal Expenditures	Adjustments	Receivable /	Subrecipient Expenditures
								(Deferred Revenue) 6/30/2022				(Deferred Revenue) 6/30/2023	
<b>Drexel University</b>													
<b>84.215 Innovative Approaches to Literacy; Promise Neighborhoods; and Full-Service Community Schools</b>													
		Promise of a Strong Partnership for Education Reform	84.215	I	U215N160055	-	246,535	(50,564)	0	0	0	(50,564)	0
		Prosper Teachers	84.215	I	-	-	740,026	50,558	50,558	0	0	0	0
		Prosper Teachers	84.215	I	-	-	858,492	0	260,812	858,492	0	597,681	0
		<b>Subtotal: 84.215 Innovative Approaches to Literacy; Promise Neighborhoods; and Full-Service Community Schools</b>					<b>1,845,053</b>	<b>(7)</b>	<b>311,369</b>	<b>858,492</b>	<b>0</b>	<b>547,116</b>	<b>0</b>
<b>Subtotal: Drexel University</b>							<b>1,845,053</b>	<b>(7)</b>	<b>311,369</b>	<b>858,492</b>	<b>0</b>	<b>547,116</b>	<b>0</b>
<b>84.411C Education Innovative and Research (formerly Investing In Innovation (I3) Fund)</b>													
		Education Innovation and Research (EIR) Program	84.411C	I	-	-	3,973,175	0	0	92,876	0	92,876	0
		<b>Subtotal: 84.411C Education Innovative and Research (formerly Investing In Innovation (I3) Fund)</b>					<b>3,973,175</b>	<b>0</b>	<b>0</b>	<b>92,876</b>	<b>0</b>	<b>92,876</b>	<b>0</b>
<b>Total U.S. Department of Education</b>							<b>2,618,009,403</b>	<b>57,120,835</b>	<b>541,964,214</b>	<b>571,156,365</b>	<b>1,525,388</b>	<b>87,838,375</b>	<b>14,476,562</b>
<b>U.S. Department of Treasury</b>													
<b>PA Department of Education &amp; PA Commission on Crime and Delinquency</b>													
<b>21.019 Coronavirus Relief Fund</b>													
		COVID 19 HSSAP Cares	21.019	I	161-190178	-	642,411	(1,600,830)	0	0	0	(1,600,830)	0
		<b>Subtotal: 21.019 Coronavirus Relief Fund</b>					<b>642,411</b>	<b>(1,600,830)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,600,830)</b>	<b>0</b>
<b>Subtotal: PA Department of Education &amp; PA Commission on Crime and Delinquency</b>							<b>642,411</b>	<b>(1,600,830)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,600,830)</b>	<b>0</b>
<b>Total U.S. Department of Treasury</b>							<b>642,411</b>	<b>(1,600,830)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,600,830)</b>	<b>0</b>
<b>U.S. Department of Defense</b>													
<b>Direct Programs</b>													
<b>12.002 Procurement Technical Assistance For Business Firms</b>													
		JROTC Programs	12.002	D	20USCR3475	-	1,020,574	62,323	62,323	0	0	0	0
		JROTC Programs	12.002	D	20USCR3475	-	848,732	0	756,985	848,732	0	91,748	0
		<b>Subtotal: 12.002 Procurement Technical Assistance For Business Firms</b>					<b>1,869,306</b>	<b>62,323</b>	<b>819,308</b>	<b>848,732</b>	<b>0</b>	<b>91,748</b>	<b>0</b>
<b>Subtotal: Direct Programs</b>							<b>1,869,306</b>	<b>62,323</b>	<b>819,308</b>	<b>848,732</b>	<b>0</b>	<b>91,748</b>	<b>0</b>
<b>Total U.S. Department of Defense</b>							<b>1,869,306</b>	<b>62,323</b>	<b>819,308</b>	<b>848,732</b>	<b>0</b>	<b>91,748</b>	<b>0</b>
<b>U.S. Department of Health and Human Services</b>													
<b>Direct Programs</b>													
<b>93.600 Head Start</b>													
		Basic Grant	93.600	D	03CH011619-01-02	-	45,432,329	25,829,250	25,829,250	0	0	0	0
		Basic Grant	93.600	D	03CH011619-03-01	-	46,938,697	0	16,248,256	45,272,541	0	29,024,285	20,043,925
		COVID 19 Federal Headstart Cares	93.600	D	03CH011619-01-C3	-	4,394,400	0	0	0	0	0	0
		COVID 19 ARP Federal Head Start	93.600	D	03HE000830-01-01	-	5,439,289	453,081	2,713,884	3,640,107	0	1,379,304	289,800
		<b>Subtotal: 93.600 Head Start</b>					<b>102,204,715</b>	<b>26,282,330</b>	<b>44,791,390</b>	<b>48,912,648</b>	<b>0</b>	<b>30,403,589</b>	<b>20,333,725</b>
<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	5U87P5004289	-	300,000	430	430	0	0	0	0
		Project ARREST	93.079	D	5U87P5004289	-	300,000	17,320	17,320	0	0	0	0
		Project ARREST	93.079	D	5U87P5004289	-	300,000	107,575	110,767	192,425	0	189,233	0
		Project ARREST	93.079	D	5U87P5004289	-	300,000	0	0	58,756	0	58,756	0
		Youth Risk Behavior	93.079	D	5U87P5004152	-	2,500	(2,500)	0	0	0	(2,500)	0
		Youth Risk Behavior	93.079	D	5U87P5004152	-	1,500	(1,500)	0	0	0	(1,500)	0
		Youth Risk Behavior	93.079	D	5U87P50044289	-	750	(750)	0	0	0	(750)	0
		Youth Risk Behavior	93.079	D	5U87P50044289	-	60,000	59,352	59,352	0	0	0	0
		Youth Risk Behavior	93.079	D	5U87P5004489	-	60,000	26,991	26,991	33,009	0	33,009	0
		Youth Risk Behavior	93.079	D	5U87P5004489	-	110,088	0	0	110,088	0	110,088	0
		<b>Subtotal: 93.079 Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance</b>					<b>1,434,838</b>	<b>206,918</b>	<b>214,860</b>	<b>394,278</b>	<b>0</b>	<b>386,337</b>	<b>0</b>
<b>93.137 Community Programs to Improve Minority Health Grant Program</b>													
		Philadelphia Youth Sports Collaboration	93.137	D	2101/F20	-	52,538	(38,713)	13,825	0	0	(52,538)	0
		<b>Subtotal: 93.137 Community Programs to Improve Minority Health Grant Program</b>					<b>52,538</b>	<b>(38,713)</b>	<b>13,825</b>	<b>0</b>	<b>0</b>	<b>(52,538)</b>	<b>0</b>
<b>93.079 Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School Based-Surveillance</b>													
		COVID 19 Pash Cares	93.079	D	CDC RFA P518 1807	-	190,909	903	38,316	66,558	0	29,145	0
		COVID 19 Pash Cares	93.079	D	CDC RFA P518 1807	-	149,962	0	0	0	0	0	0
		<b>Subtotal: 93.079 Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance</b>					<b>340,871</b>	<b>903</b>	<b>38,316</b>	<b>66,558</b>	<b>0</b>	<b>29,145</b>	<b>0</b>
<b>Subtotal: Direct Programs</b>							<b>104,032,962</b>	<b>26,451,438</b>	<b>45,058,390</b>	<b>49,373,485</b>	<b>0</b>	<b>30,766,532</b>	<b>20,333,725</b>

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023

Passed- Federal Agency	Through Federal Agency	Federal Cluster	Federal Program Title	Federal AL Number	Source Code	Grantor Contract Federal	Number Other	Total Grant Award	Receivable / (Deferred Revenue) 6/30/2022	Cash Receipts	Federal Expenditures	Adjustments	Receivable / (Deferred Revenue) 6/30/2023	Subrecipient Expenditures
								\$	\$	\$	\$	\$	\$	\$
<b>PA Department of Education</b>														
<b>TANF Cluster</b>														
<b>93.558 Temporary Assistance for Needy Families (TANF)</b>														
			ELECT	93.558	I	4100071410	-	3,678,232	1,420,290	1,420,290	0	0	0	0
			ELECT	93.558	I	4100089876	-	3,759,167	0	2,594,793	3,759,221	0	1,164,428	0
<b>Subtotal: 93.558 Temporary Assistance for Needy Families (TANF)</b>								<b>7,437,399</b>	<b>1,420,290</b>	<b>4,015,083</b>	<b>3,759,221</b>	<b>0</b>	<b>1,164,428</b>	<b>0</b>
<b>Subtotal: TANF Cluster</b>								<b>7,437,399</b>	<b>1,420,290</b>	<b>4,015,083</b>	<b>3,759,221</b>	<b>0</b>	<b>1,164,428</b>	<b>0</b>
<b>Subtotal: PA Department of Education</b>								<b>7,437,399</b>	<b>1,420,290</b>	<b>4,015,083</b>	<b>3,759,221</b>	<b>0</b>	<b>1,164,428</b>	<b>0</b>
<b>Philadelphia Department of Public Health</b>														
<b>93.354 Public Health Emergency Response: Cooperative Agreement for emergency Response: Public Health Crisis Response</b>														
			COVID 19 Public Health Workforce	93.354	I	-	-	1,104,108	246,223	0	0	0	246,223	0
			COVID 19 Public Health Workforce	93.354	I	-	-	1,385,102	0	0	599,113	0	599,113	0
<b>Subtotal: 93.354 Public Health Emergency Response: Cooperative Agreement for emergency Response: Public Health Crisis Response</b>								<b>2,489,210</b>	<b>246,223</b>	<b>0</b>	<b>599,113</b>	<b>0</b>	<b>845,336</b>	<b>0</b>
<b>93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)</b>														
			COVID 19 ELC Covid Testing	93.323	I	-	-	40,554,546	18,824,706	20,236,473	1,411,767	0	0	0
			COVID 19 ELC Covid Testing	93.323	I	-	-	9,142,970	0	3,514,562	9,142,970	0	5,628,408	0
<b>Subtotal: 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)</b>								<b>49,697,516</b>	<b>18,824,706</b>	<b>23,751,034</b>	<b>10,554,737</b>	<b>0</b>	<b>5,628,408</b>	<b>0</b>
<b>Subtotal: Philadelphia Department of Public Health</b>								<b>52,186,726</b>	<b>19,070,929</b>	<b>23,751,034</b>	<b>11,153,849</b>	<b>0</b>	<b>6,473,744</b>	<b>0</b>
<b>Total U.S. Department of Health and Human Services</b>								<b>163,657,087</b>	<b>46,942,657</b>	<b>72,824,508</b>	<b>64,286,554</b>	<b>0</b>	<b>38,404,704</b>	<b>20,333,725</b>
<b>U.S. Department of Justice</b>														
<b>Direct Programs</b>														
<b>16.710 Public Safety Partnership and Community Policing Grants</b>														
			COPS SVPP	16.710	D	2019SVWXX006	-	500,000	138,592	0	55,385	0	193,977	0
<b>Subtotal: 16.710 Public Safety Partnership and Community Policing Grants</b>								<b>500,000</b>	<b>138,592</b>	<b>0</b>	<b>55,385</b>	<b>0</b>	<b>193,977</b>	<b>0</b>
<b>16.710 Public Safety Partnership and Community Policing Grants</b>														
			DOJ COPS	16.710	D	COP522GG04226MUM	-	500,000	0	0	19,600	0	19,600	0
			16.710 Public Safety Partnership and Community Policing Grants					500,000	0	0	19,600	0	19,600	0
<b>Subtotal: 16.710 Public Safety Partnership and Community Policing Grants</b>								<b>500,000</b>	<b>0</b>	<b>0</b>	<b>19,600</b>	<b>0</b>	<b>19,600</b>	<b>0</b>
<b>16.839 Stop School Violence</b>														
			CJJD STOP School Violence	16.839	D	SPJDP-22-GK93904-s10j	-	268,923	0	0	76,222	0	76,222	0
<b>Subtotal: 16.839 Stop School Violence</b>								<b>268,923</b>	<b>0</b>	<b>0</b>	<b>76,222</b>	<b>0</b>	<b>76,222</b>	<b>0</b>
<b>Subtotal: Direct Programs</b>								<b>1,268,923</b>	<b>138,592</b>	<b>0</b>	<b>151,207</b>	<b>0</b>	<b>289,799</b>	<b>0</b>
<b>Total U.S. Department of Justice</b>								<b>1,268,923</b>	<b>138,592</b>	<b>0</b>	<b>151,207</b>	<b>0</b>	<b>289,799</b>	<b>0</b>
<b>U.S. Environmental Protection Agency</b>														
<b>Direct Programs</b>														
<b>66.039 Diesel Emissions Reduction Act</b>														
			Diesel Emissions Reduction Act	66.039	D	OMB 2060 0686	-	290,000	290,000	200,000	0	0	90,000	0
<b>Subtotal: 66.039 Diesel Emissions Reduction Act</b>								<b>290,000</b>	<b>290,000</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>90,000</b>	<b>0</b>
<b>Subtotal: Direct Programs</b>								<b>290,000</b>	<b>290,000</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>90,000</b>	<b>0</b>
<b>Total U.S. Environmental Protection Agency</b>								<b>290,000</b>	<b>290,000</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>90,000</b>	<b>0</b>
<b>U.S. Department of Homeland Security</b>														
<b>Federal Emergency Management Agency</b>														
<b>97.036 Disaster Grants - Public Assistance</b>														
			COVID 19 PEMA FEMA	97.036	I	-	-	2,670,334	116,667	0	0	0	116,667	0
			COVID 19 PEMA FEMA	97.036	I	-	-	2,047,266	0	1,842,539	1,105,108	0	(737,431)	0
<b>Subtotal: 97.036 Disaster Grants - Public Assistance</b>								<b>4,717,600</b>	<b>116,667</b>	<b>1,842,539</b>	<b>1,105,108</b>	<b>0</b>	<b>(620,764)</b>	<b>0</b>
<b>Subtotal: Federal Emergency Management Agency</b>								<b>4,717,600</b>	<b>116,667</b>	<b>1,842,539</b>	<b>1,105,108</b>	<b>0</b>	<b>(620,764)</b>	<b>0</b>
<b>Total U.S. Department of Homeland Security</b>								<b>4,717,600</b>	<b>116,667</b>	<b>1,842,539</b>	<b>1,105,108</b>	<b>0</b>	<b>(620,764)</b>	<b>0</b>
<b>Grand Total</b>								<b>2,939,171,193</b>	<b>113,586,322</b>	<b>690,738,599</b>	<b>712,870,206</b>	<b>405,138</b>	<b>135,923,067</b>	<b>34,810,287</b>

**SCHOOL DISTRICT OF PHILADELPHIA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Table of Contents

Note 1 – Government of the School District .....	11
Note 2 – Organization and Scope .....	11
Note 3 – Major Programs .....	11
Note 4 – Schedule of Expenditures of Federal Awards .....	12
Note 5 – Schedule of Expenditures of Federal Awards –National School Lunch Program - AL #10.555 .....	12
Note 6 – Indirect Cost Rate .....	12
Note 7 – COVID 19 FEMA Grant AL #97.036 .....	12

**SCHOOL DISTRICT OF PHILADELPHIA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 196,200 students, including Charter Schools. The School District is the tenth largest in the United States in enrollment and employs more than 19,700 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. The board is responsible for the School District's overall operation, management, and educational programs, 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 reports to the Board. Tony B. Watlington, Sr. ED.D. assumed leadership of the District for the Fiscal Year 2023 reporting period. In addition, a new Chief Financial Officer, Michael Herbstman was appointed in February 2023 when the previous Chief Financial Officer, Uri Z. Monson was appointed as the Budget Secretary for the new Governor of Pennsylvania. There were new School Board leaders for Fiscal Year 2023 with Reginald L. Streater, J.D., appointed President, and Mallory Fix-Lopez as Vice President.

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.

**2. Organization and Scope**

For the fiscal year ending June 30, 2023, 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.

**SCHOOL DISTRICT OF PHILADELPHIA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 that 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, 2023. 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 the 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, 2023, 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.

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

Information contained in the Schedule of Expenditures of Federal Awards (SEFA) for AL #10.555 – National School Lunch Program – includes Non-Cash Assistance pertaining to food commodities distributed by the United States Department of Agriculture (USDA). Commodities are identified with the programs under which USDA donated the commodities.

**6. Indirect Cost Rate**

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

**7. COVID 19 FEMA Grant – AL # 97.036**

Expenditures related to the COVID 19 FEMA Grant (AL 97.036) that occurred in Fiscal Year 2023 are \$1,105,107.89. The grant amount approved in Fiscal Year 2023 are included in this SEFA.



## **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  
(215) 686-6680 FAX (215) 686-3832

CHRISTY BRADY  
City Controller

CHARLES EDACHERIL  
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 Board 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, 2023, 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 16, 2024.

### Report on Internal Control Over Financial Reporting

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

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

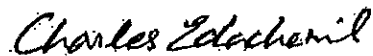
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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



CHARLES EDACHERIL, CPA  
Deputy City Controller



CHRISTY BRADY, CPA  
City Controller

Philadelphia, Pennsylvania  
February 16, 2024



# CITY OF PHILADELPHIA

OFFICE OF THE CONTROLLER  
1230 Municipal Services Building  
1401 John F. Kennedy Boulevard  
Philadelphia, PA 19102-1679  
(215) 686-6680 FAX (215) 686-3832

CHRISTY BRADY  
City Controller

CHARLES EDACHERIL  
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 Board President and Members of  
The Board of Education of the  
School District of Philadelphia

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited the School District of Philadelphia, Pennsylvania's (School District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. 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.

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, 2023.

#### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

CITY OF PHILADELPHIA  
OFFICE OF THE CONTROLLER

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

*Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's federal programs.

*Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

CITY OF PHILADELPHIA  
OFFICE OF THE CONTROLLER

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

*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 is described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the School District's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

CITY OF PHILADELPHIA  
OFFICE OF THE CONTROLLER

*Government Auditing Standards* requires the auditor to perform limited procedures on the School District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the other 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, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We have issued our report thereon dated February 16, 2024, 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Charles Edacheril*

CHARLES EDACHERIL, CPA  
Deputy City Controller

*Christy Brady*

CHRISTY BRADY, CPA  
City Controller

Philadelphia, Pennsylvania  
March 25, 2024

## **Section IV.**

# **Schedule of Findings and Questioned Costs**



**SCHOOL DISTRICT OF PHILADELPHIA**

**Schedule of Findings and Questioned Costs – June 30, 2023**

---

**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\_\_\_  no  
Significant deficiency(ies) identified? yes \_\_\_ none reported

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

*Federal Awards:*

Internal control over major federal programs:

Material weakness(es) identified? \_\_\_yes\_\_\_  no  
Significant deficiency(ies) identified? 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 \_\_\_no

Identification of major federal programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number(s)</u>
Title I Grants to Local Educational Agencies	84.010
Student Support and Academic Enrichment Program	84.424
Education Stabilization Fund	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?  yes \_\_\_no

**SCHOOL DISTRICT OF PHILADELPHIA**

**Schedule of Findings and Questioned Costs – June 30, 2023**

---

**Section II – Financial Statement Findings:**

None

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

2023-001	Reporting – Significant Deficiency and Compliance Finding AL 93.600 Head Start	Pg. 23
2023-002	Special Tests and Provisions – Annual Report Card, High School Graduation Rate - Significant Deficiency and Compliance Finding AL 84.010 Title I Grants to Local Educational Agencies	Pg. 24-25

## **SCHOOL DISTRICT OF PHILADELPHIA**

*Federal Findings and Questioned Costs – June 30, 2023*

---

### **2023-001 REPORTING – SIGNIFICANT DEFICIENCY AND COMPLIANCE FINDING**

#### **Assistance Listing 93.600 Head Start**

**Condition:** During our test for compliance with the Federal Funding Accountability and Transparency Act (FFATA), we noted that the School District of Philadelphia (School District) did not have a process in place to report subawards made under the federal Head Start program in accordance with the FFATA and award agreement. Consequently, auditors could not test for FFATA reporting compliance for this grant program. This condition was reported as finding number 2022-002 in the prior year report. Funding for this program is from the Department of Health and Human Services.

**Criteria:** Per the OMB's Uniform Guidance 2 CFR Part 170, the prime recipient of a federal award must report information regarding first-tier subawards of \$30,000 or more utilizing the FFATA Subaward Reporting System (FSRS), and states that the subaward reporting requirement applies to all types of first-tier subawards. The reporting is required by the end of the month following the month in which the award is made.

**Effect:** Federal grantors may not have complete and accurate information to make fiscal decisions on federal awards. Additionally, there could be a lack of transparency and accountability to the public on how federal dollars are spent.

**Cause:** The School District of Philadelphia did not have a systematic process in place to report subawards made under the federal Head Start program in accordance with FFATA.

**Recommendation:** School District's management should develop written policies and procedures which ensure that it complies with the FFATA requirement to file first-tier subaward reports.

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

The School District of Philadelphia concurs with the finding and recommendation. The District has implemented a systematic process for reporting Fiscal Year 2024 subawards under the Federal Head Start Program which is required to report under FFATA. Moving forward, the process established to ensure reporting will be maintained.

Diane Castelbuono, Deputy Chief, Office of Early Childhood Education, School District of Philadelphia, 215-400-6242

## **SCHOOL DISTRICT OF PHILADELPHIA**

*Federal Findings and Questioned Costs – June 30, 2023*

---

### **2023-002 SPECIAL TESTS AND PROVISIONS - ANNUAL REPORT CARD, HIGH SCHOOL GRADUATION RATE– SIGNIFICANT DEFICIENCY AND COMPLIANCE FINDING**

#### **Assistance Listing 84.010 Title I, Part A**

**Condition:** In our testing for compliance with Special Tests and Provisions - Annual Report Card, High School Graduation Rate, we noted that School District personnel did not maintain appropriate written documentation to support the transfers of 8 out of 10 sampled students from the adjusted 2019-2020 cohort. Funding for this program is from the Pennsylvania Department of Education (PDE).

**Criteria:** Per the OMB’s Uniform Guidance 34 CFR 200.19 (b)(1)(ii)(B), to remove a student from the cohort, the local educational agency (LEA) must confirm in writing that the student transferred out, emigrated to another country, or is deceased. The LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma. According to the PDE’s guide for reporting the Graduation, Dropout and Cohort Data Set, an LEA may not consider a student a transfer unless it knows with certainty that the student has enrolled in another secondary educational institution that offers a regular high school diploma.

**Effect:** Failure to maintain appropriate written documentation to support the removal of students from the 2019-2020 cohort may cause an inaccurate reporting of the 2022-2023 graduation rate and noncompliance with federal and state regulations.

**Cause:** School District personnel stated that they either did not maintain documentation because several years had passed since the students left or they only received verbal confirmation of the students’ transfers.

**Recommendation:** School District management should develop written policies and procedures which require that personnel maintain the appropriate written documentation to support student transfers in accordance with the above criteria to ensure an accurate cohort graduation rate.

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

There is an established School District of Philadelphia (“school district”) Board of Education adopted policy number 208 “Withdrawal From School” last revised in June 2020 which establishes requirements governing the withdrawal of students from school that complies with the Pennsylvania School Code and Department of Education requirements and OMB’s Uniform Guidance 34 CFR 200.19 (b)(1)(ii)(B). To comply with regulatory requirements, the school district is required to obtain written documentation for students who transferred to a private or nonpublic school system or out of the state of PA or out of the United States. According to Pennsylvania Department of Education’s (PDE) guide for reporting graduation, dropouts and cohort data, the school district is required to receive and maintain documentation of transfers.

The purpose of School District of Philadelphia Board of Education's Policy 208 is to establish requirements governing withdrawal from school that encourage students to complete an educational program that will equip them with required skills and increase their chances for a successful life beyond school. The policy requires parents/guardians withdrawing a student from school, to enroll in another

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

---

### ***Federal Findings and Questioned Costs – June 30, 2023***

Local Education Agency, to withdraw the student in person at the school where the student is enrolled. The policy states that, “No student of compulsory school age shall be permitted to withdraw without the written consent of a person in parental relation and supporting documentation.”

Although the policy is communicated, not all schools have maintained the written documentation required. Moving forward the school district will provide periodic reminders of the policy to all school leaders and secretaries who enroll and withdraw students. In addition, the Office of Student Support Services administrators will validate with principals that they are maintaining the records for withdrawing students in a safe and central location at their school offices. These strengthened procedures to include a reminder notification to school leaders and secretaries and random audits of WD03 transfers will be implemented by the end of the School Year 2024.

Karyn Lynch, Chief of Student Support Services, Office of Student Support Services, School District of Philadelphia, 215-400-6092

## **Section V.**

# **Summary Schedule of Prior Audit Findings**

**Federal Findings and Questioned Costs – June 30, 2023****Status:** Resolved**Questioned Cost:** \$0.00**2022-001 INADEQUATE REVIEW OF ACCESS CONTROLS AND SEGREGATION OF DUTIES**

**Condition:** Prior year testing noted that a formally documented Segregation of Duties (SoD) policy, including identification of incompatible roles, responsibilities, and permissions, has not been established. Users have been assigned access based upon job function role and location, however the specific access permissions of the roles have not been reviewed by the School District of Philadelphia (School District). Due to this condition, identification of incompatible permissions within roles 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 July 1, 2020. Finally, a documented security program or policy, which includes the School District's responsibilities over the Oracle system, was not provided. Our current year follow-up disclosed that as of June 30, 2022, corrective action to prevent the recurrence of this condition has not been implemented.

**Update 2023**

To address the audit finding of the security policy, The School District has taken the necessary steps to implement a formal plan. In order to do that with the components outlined in the finding, we implemented a process for the security plan diagnosis which led to a formal policy to include: overall diagnosis, prescription and policy plan. This work began on 9/1/22 and concluded 3/31/23, as outlined in the below timeline.

1. Security Plan analysis 9/1/22 – 9/30/2022
  - Identify current roles and profiles of Finance positions – Complete
2. Duty Policy 10/1/22 – 1/31/23
  - Create a segmentation of duty policy where we have identified the incompatible roles – Complete
3. Security Plan Diagnosis 10/1/22 – 3/31/23
  - Identify risks in current security. All department reviews are complete.
4. Annual Review
  - Perform annual review every May and complete each review at the end of the Fiscal Year. – Complete - started May of 2023 and completed June 29<sup>th</sup>.
5. Security Policy – 9/1/22 - 3/31/23
  - All steps above are included in the overarching security policy for The School District. The policy was provided during the audit; however, the policy was formally updated to reflect the necessary changes including requiring an annual review. - Complete



**Comptroller's Office**  
Suite 322  
440 North Broad Street  
Philadelphia, PA 19130

**Federal Findings and Questioned Costs – June 30, 2023**

**ALN# 93.600**

**Status: Unresolved**

**Questioned Cost: \$0.00**

**2022-002 REPORTING – SIGNIFICANT DEFICIENCY AND COMPLIANCE FINDING**

**Head Start – ALN #93.600**

**Condition:** During our test for compliance with the Federal Funding Accountability and Transparency Act (FFATA), we noted that the School District of Philadelphia (School District) did not have a process in place to report subawards made under the federal Head Start program in accordance with the FFATA and award agreement. Consequently, auditors could not test for FFATA reporting compliance for this grant program. Funding for this program is from the Department of Health and Human Services.

**Update 2023**

The District has strengthened the procedure that requires the review of all grant applications for grant specific requirements to ensure compliance, and has updated the Grant Compliance Office review and checkoff form to indicate the review, where applicable, has been completed.

Marcy Blender, Comptroller, Office of Finance, School District of Philadelphia, 215-400-5435





**Federal Findings and Questioned Costs – June 30, 2023**

**Status:** Resolved

**Questioned cost:** \$0.00

**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 the 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.

**2023 Update:**

Corrective action was taken in accordance with 200.511 (b)(1)

**Federal Findings and Questioned Costs – June 30, 2023**

ALN# 84.425

Status: Resolved

Questioned Cost: \$0.00

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

**Education Stabilization Funds – ALN #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.

**Update 2023 Update:**

The District has ensured its policies and procedures regarding the periodic calculation of interest-earned on federal funds are consistent with OMB Uniform Guidance 200.305. After discussions with our auditors, in order to prevent omissions or errors in the calculation going forward, the District made an amendment to its calculation procedures effective July 1, 2022.

The procedures were updated to include additional reviews in the general accounting and grant fiscal services departments to ensure all eligible federal grant awards are included before the interest calculation is finalized and payment remitted.

Corrective action was taken in accordance with 200.511 (b)(1)

## **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).**

## **Corrective Action Plan**

**Finding number 2023-001 Reporting**

**Head Start FFATA Compliance - Significant Deficiency and Compliance Finding**

**Assistance Listing 93.600 Head Start**

Contact Person - Diane Castelbuono Deputy Chief, Office of Early Childhood Education, School District of Philadelphia, 215-400-6242

### **View of Responsible Officials and Planned Corrective Action**

The School District of Philadelphia concurs with the finding and recommendations. The District has implemented a systematic process for reporting Fiscal Year 2024 subawards under the Federal Head Start Program which is required to report under FFATA. Moving forward, the process is established to ensure reporting will be maintained.

## Corrective Action Plan

Finding number 2023-002

### SPECIAL TESTS AND PROVISIONS - ANNUAL REPORT CARD, HIGH SCHOOL GRADUATION RATE

#### SIGNIFICANT DEFICIENCY AND COMPLIANCE FINDING

##### Assistance Listing 84.010 Title I, Part A

Contact Person - Karyn Lynch, Chief of Student Support Services, Office of Student Support Services, School District of Philadelphia, 215-400-6092

#### Views of Responsible Officials and Corrective Action Plan:

There is an established School District of Philadelphia ("school district") Board of Education adopted policy number 208 "Withdrawal From School" last revised in June 2020 which establishes requirements governing the withdrawal of students from the school that complies with the Pennsylvania School Code and Department of Education requirements and OMB's Uniform Guidance 34 CFR 200.19 (b)(1)(ii)(B). To comply with regulatory requirements, the school district is required to obtain written documentation for students who transferred to a private or nonpublic school system or out of the state of PA or out of the United States. According to Pennsylvania Department of Education's (PDE) guide for reporting graduation, dropouts and cohort data, the school district is required to receive and maintain documentation of transfers.

The purpose of School District of Philadelphia Board of Education's Policy 208 is to establish requirements governing withdrawal from school that encourage students to complete an educational program that will equip them with required skills and increase their chances for a successful life beyond school. The policy requires parents/guardians withdrawing a student from school, to enroll in another

Local Education Agency, to withdraw the student in person at the school where the student is enrolled. The policy states that, "No student of compulsory school age shall be permitted to withdraw without the written consent of a person in parental relation and supporting documentation."

Although the policy is communicated, not all schools have maintained the written documentation required. Moving forward the school district will provide periodic reminders of the policy to all school leaders and secretaries who enroll and withdraw students. In addition, the Office of Student Support Services administrators will validate with principals that they are maintaining the records for withdrawing students in a safe and central location at their school offices. These strengthened procedures to include a reminder notification to school leaders and secretaries and random audits of WD03 transfers will be implemented by the end of the School Year 2024.