

**FAYETTE COUNTY BOARD OF EDUCATION**

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2016**

# FAYETTE COUNTY BOARD OF EDUCATION

## SINGLE AUDIT REPORT FOR THE YEAR ENDED JUNE 30, 2016

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**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**

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**Superintendent and Members of the  
Fayette County Board of Education  
Fayetteville, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Fayette County Board of Education** (the "School System") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements, and have issued our report thereon dated December 13, 2016.

**Internal Control Over Financial Reporting**

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

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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 over financial reporting that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School System'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 determination of financial statement amounts. 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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 13, 2016



**INDEPENDENT AUDITOR'S 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**

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**Superintendent and Members of the  
Fayette County Board of Education  
Fayetteville, Georgia**

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

We have audited the Fayette County Board of Education's (the "School System") 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 System's major federal programs for the year ended June 30, 2016. The School System'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School System'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 System's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the School System 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, 2016.

### **Report on Internal Control Over Compliance**

Management of the School System 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 System'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 our 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 System'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 that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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The purpose of this report on internal control of compliance is solely to describe the scope of our testing of internal control over compliance and the results of 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, each major fund, and the aggregate remaining fund information of the School System as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements. We issued our report thereon dated December 13, 2016, 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 as a whole. 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.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 13, 2016

**FAYETTE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Total Expenditures</u>
<b>U. S. DEPARTMENT OF AGRICULTURE:</b>		
Passed through Georgia Department of Education:		
Child Nutrition Cluster:		
School Breakfast Program	10.553	\$ 381,929
National School Lunch Program	10.555	3,141,509
Total Child Nutrition Cluster		<u>3,523,438</u>
Commercial Warehouse Storage and Delivery Grant	10.560	<u>24,148</u>
Total U. S. Department of Agriculture		<u>3,547,586</u>
<b>U. S. DEPARTMENT OF DEFENSE:</b>		
Junior R.O.T.C.	Unknown	<u>127,113</u>
Total U. S. Department of Defense		<u>127,113</u>
<b>U. S. DEPARTMENT OF EDUCATION:</b>		
Passed through Georgia Department of Education:		
Title I, Part A	84.010	1,424,192
Title II - Improving Teacher Quality	84.367	263,344
Title III - Limited English Proficient	84.365	108,772
Vocational Education - Basic Grants to States	84.048	111,924
Special Education Cluster		
Title VI-B Flowthrough	84.027	3,655,802
Title VI-B Preschool Incentive	84.173	94,838
Total U. S. Department of Education		<u>5,658,872</u>
<b>Total Expenditures of Federal Awards</b>		<u><u>\$ 9,333,571</u></u>

# FAYETTE COUNTY BOARD OF EDUCATION

## NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2016

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### **NOTE 1. BASIS OF PRESENTATION**

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Fayette County Board of Education and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

### **NOTE 2. DE MINIMIS COST RATE**

The School System elected not to use the ten percent de minimis cost rate for the year ended June 30, 2016.

### **NOTE 3. NON-CASH AWARDS**

The School System received non-cash awards under the National School Lunch Program, CFDA 10.555, in the amount of \$590,796 for the year ended June 30, 2016.

**FAYETTE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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**A. SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:  
 Material weaknesses identified? \_\_\_ Yes  X  No

Significant deficiencies identified not considered  
 to be material weaknesses? \_\_\_ Yes  X  None reported

Noncompliance material to financial statements noted? \_\_\_ Yes  X  No

**Federal Awards**

Internal Control over major programs:  
 Material weaknesses identified? \_\_\_ Yes  X  No

Significant deficiencies identified not considered  
 to be material weaknesses? \_\_\_ Yes  X  None reported

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

Any audit findings disclosed that are required to  
 be reported in accordance with Uniform Guidance? \_\_\_ Yes  X  No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	U.S. Department of Agriculture
	<u>School Nutrition Cluster</u>
10.555	National School Lunch Program
10.553	School Breakfast Program

Dollar threshold used to distinguish between  
 Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?  X  Yes \_\_\_ No

**FAYETTE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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**B. FINDINGS: FINANCIAL STATEMENT AUDIT**

None reported

**C. FINDINGS AND QUESTIONED COSTS: MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None reported

**FAYETTE COUNTY BOARD OF EDUCATION**

**SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2016**

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None reported