

**SCHOOL BOARD OF THE  
CITY OF RICHMOND, VIRGINIA**

**COMPLIANCE REPORT**

*For the Year Ended June 30, 2020*

*And Report of Independent Auditor*

**SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**  
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**Report of Independent Auditor 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 Honorable Members  
School Board of the City of Richmond, Virginia

We have audited, in accordance with the 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 *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board of the City of Richmond, Virginia (the "School Board"), a component unit of the City of Richmond, Virginia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated October 16, 2020.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control 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 may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School Board'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* or under the *Specifications for Audits of Counties, Cities, and Towns*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Cheryl Behrnt CP". The signature is written in a cursive style.

Richmond, Virginia  
October 16, 2020

## **Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

To the Honorable Members  
School Board of the City of Richmond, Virginia

### **Report on Compliance for the Major Federal Program**

We have audited the School Board of the City of Richmond, Virginia's (the "School Board"), a component unit of the City of Richmond, Virginia, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School Board's major federal program for the year ended June 30, 2020. The School Board's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the School Board's major federal program 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 Board'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 the major federal program. However, our audit does not provide a legal determination of the School Board's compliance.

### ***Opinion on the Major Federal Program***

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

### **Report on Internal Control over Compliance**

Management of the School Board 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 Board's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Board's internal control over compliance.

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

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

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

#### **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 Board, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements. We issued our report thereon dated October 16, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Richmond, Virginia  
March 30, 2021

**SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*FOR THE YEAR ENDED JUNE 30, 2020*

|                                                                          | <b>Federal<br/>Catalog<br/>Number</b> | <b>Pass thru<br/>Entity<br/>Identifying Number</b>                                      | <b>Program<br/>Clusters</b> | <b>Federal<br/>Expenditures/<br/>Expenses</b> | <b>Passed<br/>Through to<br/>Subrecipients</b> |
|--------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------|------------------------------------------------|
| <b>DEPARTMENT OF DEFENSE</b>                                             |                                       |                                                                                         |                             |                                               |                                                |
| Direct Payments:                                                         |                                       |                                                                                         |                             |                                               |                                                |
| Army ROTC                                                                | 12.000                                |                                                                                         |                             | \$ 500,363                                    |                                                |
| Total Department of Defense                                              |                                       |                                                                                         |                             | <u>500,363</u>                                |                                                |
| <b>DEPARTMENT OF AGRICULTURE</b>                                         |                                       |                                                                                         |                             |                                               |                                                |
| Passed Through Virginia Department of Agriculture and Consumer Services: |                                       |                                                                                         |                             |                                               |                                                |
| National School Lunch Program                                            | 10.555                                | 201919IN109941/ 202020N109941                                                           | \$ 1,110,604                |                                               |                                                |
| Passed Through Virginia Department of Education:                         |                                       |                                                                                         |                             |                                               |                                                |
| School Breakfast Program                                                 | 10.553                                | 201919N109941/202020N850341/202020N109941                                               | 4,656,700                   |                                               |                                                |
| National School Lunch Program                                            | 10.555                                | 201919N109941/202020N850341/202020N109941                                               | <u>9,081,879</u>            |                                               |                                                |
| Total for Child Nutrition Cluster                                        |                                       |                                                                                         |                             | 14,849,183                                    |                                                |
| Fresh Fruit & Vegetables Program                                         | 10.582                                | 201918L160341/202019L160341                                                             |                             | 663,792                                       |                                                |
| Passed Through Virginia Department of Health                             |                                       |                                                                                         |                             |                                               |                                                |
|                                                                          |                                       | 201919N202041/201919N109941/201918N109941/<br>202020N109941/202020N202041/202020N850341 |                             | 597,501                                       |                                                |
| Child and Adult Care Food Program                                        | 10.558                                |                                                                                         |                             | 164,306                                       |                                                |
| Child Nutrition Discretionary Grants Limited Availability                | 10.579                                | 201818N810341/201919N810341                                                             |                             | <u>16,274,782</u>                             |                                                |
| Total Department of Agriculture                                          |                                       |                                                                                         |                             |                                               | <u>-</u>                                       |

See Notes to Schedule of Expenditures of Federal Awards.

**SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2020

|                                                                    | Federal<br>Catalog<br>Number | Pass thru<br>Entity<br>Identifying Number | Program<br>Clusters | Federal<br>Expenditures/<br>Expenses | Passed<br>Through to<br>Subrecipients |
|--------------------------------------------------------------------|------------------------------|-------------------------------------------|---------------------|--------------------------------------|---------------------------------------|
| <b>DEPARTMENT OF EDUCATION</b>                                     |                              |                                           |                     |                                      |                                       |
| Direct Payments:                                                   |                              |                                           |                     |                                      |                                       |
| Arts in Education                                                  | 84.351                       | U351C170099                               |                     | \$ 400,046                           |                                       |
| Passed Through Virginia Department of Education:                   |                              |                                           |                     |                                      |                                       |
| Adult Education - State Grant Program                              | 84.002                       | V002A170047/V002A180047/V002A190047       |                     | 1,486,179                            |                                       |
| Title I Grants to Local Educational Agencies                       | 84.010                       | S010A170046/S010A180046/S010A190046       |                     | 16,273,891                           |                                       |
| Title I State Agency Program for Neglected and Delinquent Children | 84.013                       | S013A180046                               |                     | 1,970                                |                                       |
| Special Education - Grants to States                               | 84.027                       | H027A170107/H027A180107/H027A190107       | \$ 6,896,215        |                                      |                                       |
| Special Education - Preschool Grants                               | 84.173                       | H173A170112/H173A180112                   | 129,689             |                                      |                                       |
| Total for Special Education Cluster (IDEA)                         |                              |                                           |                     | 7,025,904                            |                                       |
| Career & Technical Education - Basic Grants to States              | 84.048                       | V048A180046/V048A190046                   |                     | 801,359                              |                                       |
| Twenty-First Century Community Learning Centers                    | 84.287                       | S287C180047/S287C190047                   |                     | 97,182                               |                                       |
| English Language Acquisition Grants                                | 84.365                       | S365A170046/S365A180046                   |                     | 333,435                              |                                       |
| Improving Teacher Quality State Grants                             | 84.367                       | S367A170044/S367A180044                   |                     | 2,275,521                            |                                       |
| Preschool Development Grants-Expansion Grants                      | 84.419                       | S419B150010                               |                     | 324,894                              |                                       |
| Student Support and Academic Enrichment                            | 84.424                       | S424A170048/S424A180048                   |                     | 951,595                              |                                       |
| CARES Act ESSERF                                                   | 84.425                       |                                           |                     | 61,524                               |                                       |
| Passed Through the College of William and Mary:                    |                              |                                           |                     |                                      |                                       |
| Education for Homeless Children and Youth                          | 84.196                       | G123-19                                   |                     | 133,814                              |                                       |
| Passed Through Virginia Commonwealth University                    |                              |                                           |                     |                                      |                                       |
| Teacher Quality Partnerships, Recovery Act                         | 84.405                       | ED-GRANTS-080409-001                      |                     | 60,710                               |                                       |
| Cardiovascular Diseases Research                                   | 93.837                       | 1U01HL138682-01                           |                     | 3,000                                |                                       |
| Total Department of Education                                      |                              |                                           |                     | 30,231,024                           |                                       |
| <b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                     |                              |                                           |                     |                                      |                                       |
| Direct Payment:                                                    |                              |                                           |                     |                                      |                                       |
| Head Start                                                         | 93.600                       | 03CH3398/0501                             |                     | 7,806,807                            | \$ 1,126,605                          |
|                                                                    |                              |                                           |                     | 7,806,807                            | 1,126,605                             |
| Total Federal Awards                                               |                              |                                           |                     | \$ 54,812,976                        | \$ 1,126,605                          |

See Notes to Schedule of Expenditures of Federal Awards.

# SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2020

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### Note 1—Summary of significant accounting policies

*Reporting Entity* – The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the activity of all federal award programs administered by the School Board. The School Board's reporting entity is defined in Note 1(b) of the School Board's basic financial statements.

*Basis of Presentation* – The information in the Schedule is presented in accordance with the requirements of Uniform Guidance. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Federal award program titles are reported as presented in the Catalog of Federal Domestic Assistance (“CFDA”) in effect for the year in which the award was granted.

*Basis of Accounting* – The Schedule has been prepared on the modified accrual basis of accounting as defined in Note 1 (e) of the School Board's basic financial statements. Federal award programs include direct expenditures and monies passed through to other governmental entities (i.e., payments to subrecipients). In addition, included within the Department of Agriculture section is nonmonetary assistance in the form of donated commodities totaling \$1,110,604.

### Note 2—Relationship to federal financial reports

The regulation and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports do not necessarily agree with the amounts reported in the accompanying Schedule.

### Note 3—Indirect costs

The School Board has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

### Note 4—Subrecipient payments

Of the federal expenditures presented in the Schedule, the School Board provided federal awards to subrecipients as follows:

| <u>Program Title</u> | <u>CFDA<br/>Number</u> | <u>Subrecipients</u> |
|----------------------|------------------------|----------------------|
| Head Start           | 93.600                 | <u>\$ 1,126,605</u>  |

### Note 5—Federal program expenditures in total

The total of CFDA number 10.555 for the fiscal year ended was \$10,192,483.

# **SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2020*

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### **(1) Summary of Auditor's Results**

- a. The type of report issued on the financial statements: Unmodified
- b. Significant deficiencies in internal control disclosed by the audit of the financial statements: None reported
- c. Material weakness in internal control disclosed by the audit of the financial statements: No
- d. Noncompliance which is material to the financial statements: No
- e. Significant deficiencies in internal control over the major program: None reported
- f. Material weakness in internal control over the major program: No
- g. The type of report issued on compliance for the major program: Unmodified
- h. Any audit findings which are required to be reported under the Uniform Guidance: No
- i. Major program:
  - Title I Grants to Local Educational Agencies (CFDA Number 84.010)
- j. Dollar threshold used to distinguish between Type A and Type B programs: \$1,644,389
- k. Auditee qualified as low-risk auditee: Yes

### **(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards***

None noted.

### **(3) Findings and Questioned Costs Relating to Federal Awards**

None noted.

### **(4) Findings and Questioned Costs Related to Compliance with Commonwealth of Virginia Laws, Regulations, Contracts and Grants**

None noted.

### **(5) Status of Prior Year Findings and Questioned Costs Relating to Federal Awards**

None noted.