March 27, 2026

Dr. Norman C. Sauce III
Superintendent
DeKalb County Board of Education
1701 Mountain Industrial Boulevard
Stone Mountain, Georgia 30083

Subject: Audit Report - Year Ending June 30, 2025

Dear Dr. Sauce:

The Financial Review Section of the Georgia Department of Education has the responsibility to follow-up and close audit reports which show findings and improper or questioned costs, as shown in the above-mentioned audit report, for funds (state and/or federal) disbursed by this Department.

Indirect Cost Rate Calculation
Federal guidelines require the indirect cost rate to be calculated with final, audited expenditure data. Please complete the attached worksheet, including all adjustments posted to the DE 46 by either the school system or auditors. Disaggregate the adjustments by fund, function, and object. The worksheet will need to be submitted even if your school system does not currently recover indirect costs, as the FY 2025 expenditures are needed for future rate calculations. Failure to provide the requested information accurately and/or within 30 days could limit your system to the minimum indirect cost rates or, at Georgia Department of Education's discretion, restrict your system from participating in indirect cost recovery in future fiscal years. Current minimum restricted and unrestricted rates are set at 1% and 8%, respectively. Please return the worksheet via email within 30 days to Chris Toles, chris.toles@doe.k12.ga.us.

Clearance of Audit Report
As described in Sections IV, Findings and Questioned Costs which addresses the audit findings in the above-mentioned Audit Report, our comments on each finding, by audit control number, are as follows:

FA 2025-001
Improve Controls over Employee Compensation
This finding is pending review by the Federal Programs Division of the Georgia Department of Education to determine if a refund is appropriate.

Thank you for your cooperation during the audit resolution process. Our file on this audit report is pending resolution of finding FA 2025-001.

High Risk Designation

Per Official Code of Georgia Annotated Section 20-2-67 (as amended per Senate Bill 68 during the 2020 legislative session), the Department of Audits and Accounts (DOAA) is required to designate a risk level for each school system. Those school systems with irregularities or budget deficits reported for three or more consecutive years are classified as high-risk. School systems with irregularities or budget deficits reported for one or two consecutive years are classified as moderate risk. Based on the Audit Committee Letter dated March 27, 2026, Dekalb County Board of Education has been designated as high risk. With that designation, the superintendent is required to submit to the State Board of Education, within 120 days of the date of the Audit Committee Letter, a detailed corrective action plan regarding the risk status. The corrective action plan should include specific changes to the internal control structure of the school system that are designed to reduce the risk status of the district from high risk. Please note this corrective action plan is separate from the corrective action you may have submitted as part of the audit process. The corrective action plan should be presented to the local board of education in a regular meeting, approved, and signed by the majority board members present. After local board approval, please submit the signed corrective action plan via email to Chris Toles, chris.toles@doe.k12.ga.us. The designation by the Department of Audits and Accounts is based on the following findings:

FA 2025-001 Improve Controls over Employee Compensation
And the related prior year finding

Additionally, as the Superintendent, you are required to attend financial management and financial governance training, pursuant to Office Code of Georgia Annotated Section 20-2-109 (as amended per Senate Bill 68 during the 2020 legislative session). Additional information for this requirement will be provided separately.

Lastly, the Office of Student Achievement is also notified of the DOAA-designation risk status.

Sincerely,

Chris Toles

Chris Toles
Financial Review

cc: Byron Schueneman, Finance Officer