

**THE BOARD OF EDUCATION OF  
MONTGOMERY COUNTY, MARYLAND**

**SINGLE AUDIT  
SUPPLEMENTAL FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2021**



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AUDIT, TAX, AND CONSULTING

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**THE BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2021**

<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASES ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>1</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE</b>	<b>3</b>
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>6</b>
<b>NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>10</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>10</b>
<b>SUMMARY OF PRIOR YEAR FINDINGS</b>	<b>14</b>



## INDEPENDENT AUDITORS' 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*

Board of Education  
of Montgomery County, Maryland  
Rockville, Maryland

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of The Board of Education of Montgomery County, Maryland operating as Montgomery County Public Schools (the Board), a component unit of Montgomery County, Maryland, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the board's basic financial statements, and have issued our report thereon dated September 30, 2021. The Board's financial statements include the operations of the MCPS Educational Foundation, Inc. (Foundation), a discretely presented component unit. Our report, described below, did not include the operations of the Foundation because the Foundation (a component unit) engaged its own separate audit in accordance with *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

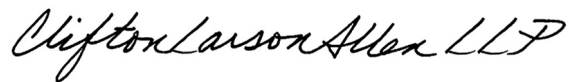
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

**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 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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
September 30, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND  
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education  
of Montgomery County, Maryland  
Rockville, Maryland

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

We have audited The Board of Education of Montgomery County, Maryland operating as Montgomery County Public Schools (the Board) compliance with the types of compliance requirements described in the *OMB Circular Compliance Supplement* that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2021. The Board's major federal programs are identified in the summary of auditors' 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.

***Auditors' Responsibility***

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

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

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### ***Other Matters***

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

The Board's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Management of the 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 Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

The Board's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Board as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements. We issued our report thereon dated September 30, 2021, 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 expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
June 29, 2022

**THE BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

<b>Federal Grantor/Pass-through/Program</b>	<b>Assistance Listing Number</b>	<b>Pass-through Grantor Number</b>	<b>MCPS Project Number</b>	<b>Passed Through to Subrecipients</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Agriculture</b>					
Distributed through Maryland State Department of Education:					
<i>Child Nutrition Cluster:</i>					
National School Lunch Program	10.555	food2	food2	\$ -	\$ (167)
National School Lunch Program	10.555	food5	food5	-	2,087,635
National School Lunch Program	10.555	food8	food8	-	1,270,339
Total National School Lunch Program				-	3,357,807
Summer Food Service Program for Children	10.559	food3	food3	-	24,912,191
Total Child Nutrition Cluster				-	28,269,998
Child and Adult Care Food Program	10.558	food4	food4	-	206,316
Child and Adult Care Food Program	10.558	food7	food7	-	4,941,279
Total Child and Adult Care Food Program				-	5,147,595
Fresh Fruit and Vegetable Program	10.582	food6	food6	-	82,118
<b>Total U.S. Department of Agriculture</b>				-	<b>33,499,711</b>
<b>U.S. Department of Education</b>					
Distributed through Maryland State Department of Education:					
<i>Special Education Cluster (IDEA)</i>					
Special Education Grants to States	84.027	190333-02	8915	-	17,441
Special Education Grants to States	84.027	190333-05	8910	-	151,818
Special Education Grants to States	84.027	190333-06	8911	-	69,897
Special Education Grants to States	84.027	190333-07	8912	-	658
Special Education Grants to States	84.027	200275-01	1	-	3,258,313
Special Education Grants to States	84.027	200275-02	2	-	71,899
Special Education Grants to States	84.027	200275-03	3	-	202,413
Special Education Grants to States	84.027	200275-04	4	-	1,629
Special Education Grants to States	84.027	200275-05	5	-	17,455
Special Education Grants to States	84.027	200275-06	6	-	726
Special Education Grants to States	84.027	200275-07	7	-	124,330
Special Education Grants to States	84.027	201132-01	8	-	74,183
Special Education Grants to States	84.027	201132-02	9	-	129,316
Special Education Grants to States	84.027	201132-03	10	-	195,149
Special Education Grants to States	84.027	210453-01	101	-	22,853,022
Special Education Grants to States	84.027	210453-02	102	-	576,104
Special Education Grants to States	84.027	210453-03	104	-	40
Special Education Grants to States	84.027	210453-04	105	-	990
Special Education Grants to States	84.027	210453-05	106	-	24
Special Education Grants to States	84.027	210453-06	107	-	117,639
Special Education Grants to States	84.027	211005-02	109	-	32
Special Education Grants to States	84.027	211005-03	110	-	26,873
Distributed through Montgomery County, Maryland:					
Special Education Grants to States	84.027	201843-01	114	-	605,584
Total Special Education Grants to States				-	28,495,535
Distributed through Maryland State Department of Education:					
Special Education Preschool Grants	84.173	200272-01	11	-	278,555
Special Education Preschool Grants	84.173	200272-02	12	-	1,079
Special Education Preschool Grants	84.173	210404-01	111	-	493,978
Special Education Preschool Grants	84.173	210404-02	112	-	1,633
Total Special Education Preschool Grants				-	775,245
Total Special Education Cluster (IDEA)				-	29,270,780

See accompanying Notes to Schedule of Expenditures of Federal Awards.



**THE BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-through/Program	Assistance Listing Number	Pass-through Grantor Number	MCPS Project Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Education (continued)</b>					
Distributed through Maryland State Department of Education:					
COVID-19 - Coronavirus Relief Fund	21.019	201958-01	147	\$ -	\$ 13,241,438
COVID-19 - Coronavirus Relief Fund	21.019	201968-01	149	-	18,344,404
Distributed through Department of Housing and Community Development:					
COVID-19 - Coronavirus Relief Fund	21.019	21150145	145	-	1,117,512
Total Coronavirus Relief Fund				-	32,703,354
Distributed through Maryland State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	190624-01	8920	-	4,269,274
Title I Grants to Local Educational Agencies	84.010	201016-01	19	-	768,817
Title I Grants to Local Educational Agencies	84.010	201471-01	16	-	28,562
Title I Grants to Local Educational Agencies	84.010	211301-01	116	-	92,059
Title I Grants to Local Educational Agencies	84.010	211084-01/02	119	19,758	26,703,823
Distributed through Prince George's County Public Schools:					
Title I Grants to Local Educational Agencies	84.010	21150158	158	-	62,670
Total Title I Grants to Local Educational Agencies				19,758	31,925,205
Distributed through Maryland State Department of Education:					
Career and Technical Education -- Basic Grants to States	84.048	201333-01	57	-	23,678
Career and Technical Education -- Basic Grants to States	84.048	201350-01	26	-	25,690
Career and Technical Education -- Basic Grants to States	84.048	201350-01	27	-	149,230
Career and Technical Education -- Basic Grants to States	84.048	201350-01	28	-	43,062
Career and Technical Education -- Basic Grants to States	84.048	201350-01	30	-	11,787
Career and Technical Education -- Basic Grants to States	84.048	201350-01	31	-	3,667
Career and Technical Education -- Basic Grants to States	84.048	201350-01	32	-	32,104
Career and Technical Education -- Basic Grants to States	84.048	201350-01	33	-	19,861
Career and Technical Education -- Basic Grants to States	84.048	201350-01	34	-	13,031
Career and Technical Education -- Basic Grants to States	84.048	210712-01	126	-	1,048,957
Career and Technical Education -- Basic Grants to States	84.048	210713-01	144	-	45,715
Total Career and Technical Education -- Basic Grants to States				-	1,416,782
Career and Technical Education -- National Programs	84.051	201468-01	61	-	12,555
Career and Technical Education -- National Programs	84.051	211325-01	160	-	39,991
Total Career and Technical Education -- National Programs				-	52,546
Education for Homeless Children and Youth	84.196	201543-01	62	-	65,722
Education for Homeless Children and Youth	84.196	211471-01	162	-	8,669
Total Education for Homeless Children and Youth				-	74,391
Twenty-First Century Community Learning Centers	84.287	200863-01	53	-	30,745
Twenty-First Century Community Learning Centers	84.287	210851-01	157	-	378,705
Total Twenty-First Century Community Learning Centers				-	409,450
English Language Acquisition State Grants	84.365	200743-01	21	17,193	179,070
English Language Acquisition State Grants	84.365	210469-01	121	28,175	2,670,155
Total English Language Acquisition State Grants				45,368	2,849,225
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	201079-01	18	-	527,946
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	210791-01	118	-	3,523,933
Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	4,051,879

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**THE BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

<b>Federal Grantor/Pass-through/Program</b>	<b>Assistance Listing Number</b>	<b>Pass-through Grantor Number</b>	<b>MCPS Project Number</b>	<b>Passed Through to Subrecipients</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Education (continued)</b>					
Comprehensive Literacy Development	84.371	191191-01	8967	\$ -	\$ 99,633
Comprehensive Literacy Development	84.371	201246-01	67	-	140,787
Total Comprehensive Literacy Development				-	240,420
Student Support and Academic Enrichment Program	84.424	191295-01	8977	7,880	268,927
Student Support and Academic Enrichment Program	84.424	201575-01	35	96,627	887,930
Student Support and Academic Enrichment Program	84.424	211377-01	135	6,040	21,459
Student Support and Academic Enrichment Program	84.424	210840-01	172	-	80,000
Total Student Support and Academic Enrichment Program				110,547	1,258,316
<b>Education Stabilization Fund</b>					
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	201874-01	139	-	1,748,276
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	202017-01	146	-	132,365
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	201793-01	81	-	18,733,512
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	202135-01	177	-	2,187,442
Total Education Stabilization Fund				-	22,801,595
<b>Direct Payments:</b>					
Impact Aid	84.041	pl874	pl874	-	202,112
Indian Education Grants to Local Educational Agencies	84.060	S060A190538	20	-	12,548
Indian Education Grants to Local Educational Agencies	84.060	S060A200538	120	-	25,078
Total Indian Education Grants to Local Educational Agencies				-	37,626
<b>Total U.S. Department of Education</b>				<b>175,673</b>	<b>127,293,681</b>
<b>U.S. Department of Health and Human Services</b>					
<b>Direct Payments:</b>					
<i>Research and Development Cluster</i>					
Child Health and Human Development Extramural Research	93.865	HHSN269201300124P	43	-	208,074
Child Health and Human Development Extramural Research	93.865	HHSN269201300124P	100	-	50,106
Total Child Health and Human Development Extramural Research				-	258,180
Total Research and Development Cluster				-	258,180
<b>Distributed through Maryland State Department of Education:</b>					
Every Student Succeeds Act/Preschool Development Grants	93.434	201819-01	148	-	12,372
<b>Distributed through Montgomery County, Maryland:</b>					
Head Start	93.600	03CH011745-01	122	-	3,952,356
Head Start	93.600	03CH011745-01	123	-	46,918
COVID-19 - Head Start	93.600	03CH011745-01	159	-	261,516
Total Head Start				-	4,260,790
<b>Total U.S. Department of Health and Human Services</b>				<b>-</b>	<b>4,531,342</b>
<b>U.S. Environmental Protection Agency</b>					
<b>Distributed through Maryland Department of Natural Resources:</b>					
Chesapeake Bay Program	66.466	21150180	180	-	18,170
<b>Total U.S. Environmental Protection Agency</b>				<b>-</b>	<b>18,170</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**THE BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

<b>Federal Grantor/Pass-through/Program</b>	<b>Assistance Listing Number</b>	<b>Pass-through Grantor Number</b>	<b>MCPS Project Number</b>	<b>Passed Through to Subrecipients</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Justice</b>					
Distributed through RAND Corporation:					
National Institute of Justice Research, Evaluation and Development Project Grants	16.560	19158972	8972	-	289,245
<b>Total U.S. Department of Justice</b>				-	<b>289,245</b>
<b>U.S. Department of Defense</b>					
Distributed through Battelle Memorial Institute:					
Basic, Applied, and Advanced Research in Science and Engineering	12.630	20150039	39	-	11,496
<b>Total U.S. Department of Defense</b>				-	<b>11,496</b>
<b>Grand Total Expenditures of Federal Awards</b>				<b>\$ 175,673</b>	<b>\$ 165,643,645</b>

*See accompanying Notes to Schedule of Expenditures of Federal Awards.*

**THE BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Schedule of Expenditures of Federal Awards (the Schedule) relates only to federal programs administered by The Board of Education of Montgomery County, Maryland (the Board). It should be read in conjunction with the Board's basic financial statements and the accompanying notes. The federal programs are subject to the accounting policies and procedures of the Board, which conform to accounting principles generally accepted in the United States for governmental entities.

The federal grant programs account for the expenditure of funds by the Board in the General and Enterprise funds. Expenditures represent direct costs of operating programs, principally personnel, capital projects, and fringe benefit costs. Expenditures of grant funds are made for the purposes specified by the grantor, which include certain restrictions. The grantor may ultimately disallow certain expenditures which the Board has charged to grant funds. In the event of final disallowance, the funds will be reimbursed to the federal government by the Board.

The federal share of the enterprise funds is commingled with state and local funding, as well as revenues provided from user charges. Expenditures are assumed to be paid first from the federal revenues for purposes of the Schedule. Commodities received from the U.S. Department of Agriculture are valued at fair market value and recorded as expenditures when used. During the fiscal year ended June 30, 2021, the fair market value of commodities consumed was \$2,087,635.

**NOTE 2 INDIRECT COST**

The Board did not elect to use the 10% de minimis cost rate for indirect costs.

**NOTE 3 RECONCILIATION OF FEDERAL EXPENDITURES**

Federal expenditures in the Board's Annual Comprehensive Financial Report (ACFR) reconcile to the Schedule of Expenditures of Federal Awards as follows:

General Fund Federal Expenditures	\$ 167,390,189
Capital Fund Federal Expenditures	2,985,072
Enterprise Fund Federal Expenditures	<u>33,499,711</u>
Total Federal Expenditures per the CAFR	<u>203,874,972</u>

Less:

Funds Not Included on the Schedule:

Medical Assistance	(3,937,069)
ERATE	(2,985,072)
Medicare Part D	(31,293,901)
Revenue Reclassification - FY2020 Academy Health Professions Electronic Health Record Training E H R	(8,285)
Revenue Reclassification - FY 2021 APL, MD Math Engineering Science Achievement Program	(7,000)
Total Reported per Single Audit	<u><u>\$ 165,643,645</u></u>

**THE BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

***Section I – Summary of Auditors’ Results***

***Financial Statements***

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified?   x   yes      \_\_\_\_\_ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with
- 2 CFR 200.516(a)?   x   yes      \_\_\_\_\_ no

***Identification of Major Federal Programs***

**Assistance Listing**

**Name of Federal Program or Cluster**

21.019

COVID 19 - Coronavirus Relief Fund

84.010

Title I

84.367

Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)

84.425 C & D

COVID 19 - Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

  x   yes      \_\_\_\_\_ no

**THE BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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<b>Finding Number:</b>	<b>2021-001</b>
<b>Prior Year Finding:</b>	No
<b>Federal Agency:</b>	U.S. Department of Treasury
<b>Federal Program:</b>	Coronavirus Relief Fund
<b>Assistance Listing:</b>	21.019
<b>Pass-Through Entity:</b>	Maryland State Department of Education
<b>Pass-Through Award Number and Period:</b>	201958 (3/26/2020 – 12/30/2020)
<b>Compliance Requirement:</b>	Period of Performance
<b>Type of Finding</b>	Significant Deficiency in Internal Control over Compliance; Other Matters

**Criteria or specific requirement:**

*Control* – Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

*Compliance* – Per 2 CFR section 200.309, a non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance (except as described in §200.461 Publication and printing costs) and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity.

**Condition:**

The period of performance of awards received from the Maryland State Department of Education expired on December 30, 2020. Costs were incurred and charged to the federal grant after the allowable ending of the period of performance.

**Context:**

Two out of eighteen transactions were charged after the allowable period of performance.

**THE BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

**Questioned Costs:**

Unknown, the two transactions contained services dates both within and after the allowable period of performance.

**Cause:**

Controls failed to detect that the award periods had ended and that an extension must be approved prior to expending funds after the allowable December 30, 2020 date.

**Effect:**

Costs could be deemed unallowable by the awarding agency if funds are expended outside of the allowable period of performance.

**Recommendation:**

We recommend that the Board review its policies and procedures to ensure that funds are expended within the award's period of performance and, when necessary, an extension is requested and approved prior to expending funds after the award's end date.

**Views of responsible officials:**

The Board will follow the recommendation. The Board will review its grants cut-off policy and ensure this policy is communicated to all program managers. Each expenditure will be reviewed to ensure period of performance is consistent with the grant agreement. If necessary, the Board will request an extension for approval prior to expending funds after the award's end date.

**THE BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND  
SUMMARY OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2021**

None noted.



# MONTGOMERY COUNTY PUBLIC SCHOOLS

Expanding Opportunity and Unleashing Potential

DIVISION OF FINANCIAL SERVICES

June 22, 2022

CliftonLarsonAllen LLP  
1966 Greenspring Drive, Suite 300  
Timonium, MD 21093-4161

Dear Sir/Madam:

Finding Number:	2021-001
Prior Year Finding:	No
Federal Agency:	U.S. Department of Treasury
Federal Program:	Coronavirus Relief Fund
Assistance Listing:	21.019
Pass-Through Entity:	Maryland State Department of Education
Pass-Through Award Number and Period:	201958 (3/26/2020 – 12/30/2020)
Compliance Requirement:	Period of Performance
Type of Finding:	Significant Deficiency in Internal Control over Compliance; Other Matters

## Recommendation

We recommend that the Board review its policies and procedures to ensure that funds are expended within the award's period of performance and, when necessary, an extension is requested and approved prior to expending funds after the award's end date.

## Explanation of disagreement with audit finding:

In agreement with finding.

## Action taken in response to finding:

The Board will follow the recommendation. The Board will review its grants cut-off policy and ensure this policy is communicated to all program managers. Each expenditure will be reviewed to ensure period of performance is consistent with the grant agreement. If necessary, the Board will request an extension for approval prior to expending funds after the award's end date.

## Name(s) of the contact person(s) responsible for corrective action:

Dan Kelley

## Planned completion date for corrective action plan:

FY 22 and FY 23

Sincerely,



Dan Kelley, CPA  
Director