

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

**SINGLE AUDIT
SUPPLEMENTAL FINANCIAL REPORT**

YEAR ENDED JUNE 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://www.CLAconnect.com)

**THE BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

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 <i>GOVERNMENT AUDITING STANDARDS</i>	1
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	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	10
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	11



**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 aggregate discretely presented component units, 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, 2022, and the related notes to the financial statements, which collectively comprise the board's basic financial statements, and have issued our report thereon dated October 25, 2022. 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*.

Report on 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and management response as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

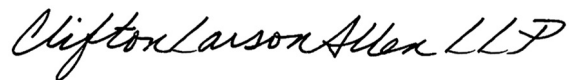
As part of obtaining reasonable assurance about whether the Board’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*

The Board’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Board’s response to the finding identified in our audit and described in the accompanying schedule of findings and management response. The Board’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



CliftonLarsonAllen LLP

Baltimore, Maryland
October 25, 2022



**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

Opinions on Each Major Federal Program

We have audited The Board of Education of Montgomery County, Maryland's, operating as Montgomery County Public Schools (the Board) 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 Board's major federal programs for the year ended June 30, 2022. The Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board complied, in all material respects, with the 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, 2022.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Board 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 Board'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 Board's federal programs.

Auditors' 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 Board'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 Board'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 Board'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 Board'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 Board's internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on 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 Auditors' 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements. We issued our report thereon dated October 25, 2022, 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
December 19, 2022

THE BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through/Program	Assistance Listing Number	Pass-through Grantor Number	MCPS Project Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture					
Distributed through Maryland State Department of Education:					
<i>Child Nutrition Cluster:</i>					
National School Lunch Program	10.555	food2	food2	\$ -	\$ 2,059,525
Food Distribution	10.555	food5	food5	-	5,127,668
National School Lunch Program - EBT Admin - EOC	10.555	food9	food9	-	5,814
Total National School Lunch Program				-	7,193,007
Summer Food Service Program for Children	10.559	food3	food3	-	77,655,294
Fresh Fruit and Vegetable Program	10.582	food6	food6	-	387,683
Total Child Nutrition Cluster				-	85,235,984
Child and Adult Care Food Program	10.558	food4	food4	-	236,698
At Risk Supper Program	10.558	food7	food7	-	7,083,811
CACFP Snack Program	10.558	food8	food8	-	917,089
Total Child and Adult Care Food Program				-	8,237,598
Total U.S. Department of Agriculture				-	93,473,582
U.S. Department of the Treasury					
Distributed through Maryland State Department of Education:					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	211771-01	255	-	2,721,577
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	211794-01	257	-	676,875
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	211804-01	251	-	42,150
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	211846-01	265	-	7,919,712
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	211863-01	259	-	245,778
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	211912-01	267	-	1,045,444
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	211924-01	266	-	2,687,509
Total Coronavirus State and Local Fiscal Recovery Fund				-	15,339,045
Total U.S. Department of the Treasury				-	15,339,045
U.S. Department of Education					
Distributed through Maryland State Department of Education:					
<i>Special Education Cluster (IDEA)</i>					
Special Education Grants to States	84.027	200275-03	3	-	96,139
Special Education Grants to States	84.027	200275-05	5	-	2,077
Special Education Grants to States	84.027	201132-01	8	-	186,420
Special Education Grants to States	84.027	201132-02	9	-	165,510
Special Education Grants to States	84.027	201132-03	10	-	33,911
Special Education Grants to States	84.027	210453-01	101	-	7,864,047
Special Education Grants to States	84.027	210453-02	102	-	3,437
Special Education Grants to States	84.027	210453-03	104	-	2,460
Special Education Grants to States	84.027	210453-04	105	-	19,010
Special Education Grants to States	84.027	210453-05	106	-	129
Special Education Grants to States	84.027	210453-06	107	-	6,082
Special Education Grants to States	84.027	211005-01	108	-	57,866
Special Education Grants to States	84.027	211005-02	109	-	99,993
Special Education Grants to States	84.027	211005-03	110	-	253,295
Special Education Grants to States	84.027	220394-01	201	-	25,187,273
Special Education Grants to States	84.027	220394-02	202	-	583,090
Special Education Grants to States	84.027	220394-03	226	-	2,055,287
Special Education Grants to States	84.027	220394-04	204	-	1,944

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, 2022**

Federal Grantor/Pass-through/Program	Assistance Listing Number	Pass-through Grantor Number	MCPS Project Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Education (continued)					
Distributed through Maryland State Department of Education (continued)					
<i>Special Education Cluster (IDEA) (continued)</i>					
Special Education Grants to States	84.027	220394-05	205	-	3,979
Special Education Grants to States	84.027	220394-06	207	-	125,000
Special Education Grants to States	84.027	221168-01	208	-	894
Special Education Grants to States	84.027	221168-03	210	-	17,065
COVID-19 - Special Education Grants to States	84.027	221201-01	260	-	271,195
COVID-19 - Special Education Grants to States	84.027	221201-02	261	-	6,327
Distributed through Montgomery County, Maryland:					
Special Education Grants to States	84.027	220504-01	214	-	612,400
Total Special Education Grants to States				-	37,654,830
Distributed through Maryland State Department of Education:					
Special Education Preschool Grants	84.173	190257-01	8908	-	561
Special Education Preschool Grants	84.173	210404-01	111	-	242,702
Special Education Preschool Grants	84.173	210404-02	112	-	10,771
Special Education Preschool Grants	84.173	211462-01	270	-	223,098
Special Education Preschool Grants	84.173	220362-01	211	-	411,433
Special Education Preschool Grants	84.173	220362-02	212	-	6,435
Special Education Preschool Grants	84.173	221199-01	263	-	940
Total Special Education Preschool Grants				-	895,940
Total Special Education Cluster (IDEA)					38,550,770
Distributed through Maryland State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	201016-01	19	-	7,082,485
Title I Grants to Local Educational Agencies	84.010	211084-01	119	-	1,042,709
Title I Grants to Local Educational Agencies	84.010	211301-01	116	-	15,854
Title I Grants to Local Educational Agencies	84.010	221505-01	219	37,591	35,035,809
Title I Grants to Local Educational Agencies	84.010	221893-01	216	-	30,692
Distributed through Prince George's County Public Schools:					
Title I Grants to Local Educational Agencies	84.010	F2150274	274	-	51,735
Total Title I Grants to Local Educational Agencies				37,591	43,259,284
Distributed through Maryland State Department of Education:					
Career and Technical Education -- Basic Grants to States	84.048	210712-01	126	-	392,294
Career and Technical Education -- Basic Grants to States	84.048	220710-02	232	-	75,625
Career and Technical Education -- Basic Grants to States	84.048	220821-01	271	-	460,750
Career and Technical Education -- Basic Grants to States	84.048	221411-01	217	-	1,074,095
Total Career and Technical Education -- Basic Grants to States				-	2,002,764
Career and Technical Education -- National Programs	84.051	220538-01	228	-	28,000
Education for Homeless Children and Youth	84.196	211471-01	162	-	98,211
Education for Homeless Children and Youth	84.196	221565-01	269	-	22,978
Total Education for Homeless Children and Youth				-	121,189
Twenty-First Century Community Learning Centers	84.287	210851-01	157	-	20,965
Twenty-First Century Community Learning Centers	84.287	220888-01	241	-	394,414
Total Twenty-First Century Community Learning Centers				-	415,379
English Language Acquisition State Grants	84.365	190314-01	8927	-	221,095
English Language Acquisition State Grants	84.365	200743-01	21	-	445,961
English Language Acquisition State Grants	84.365	210469-01	121	-	36,128
English Language Acquisition State Grants	84.365	220667-01	221	-	2,730,949
English Language Acquisition State Grants	84.365	221849-01	278	-	60,000
Total English Language Acquisition State Grants				-	3,494,133

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, 2022**

Federal Grantor/Pass-through/Program	Assistance Listing Number	Pass-through Grantor Number	MCPS Project Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Education (continued)					
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	210791-01	118	-	431,742
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	211746-01	242	-	12,233
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	221058-01	218	-	3,282,267
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	221062-01	254	-	8,185
Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	3,734,427
Comprehensive Literacy Development	84.371	201246-01	67	-	821,213
Student Support and Academic Enrichment Program	84.424	191295-01	8977	-	548,773
Student Support and Academic Enrichment Program	84.424	201575-01	35	19,085	1,041,732
Student Support and Academic Enrichment Program	84.424	211377-01	135	90,545	1,076,057
Student Support and Academic Enrichment Program	84.424	221544-01	203	-	37,087
Total Student Support and Academic Enrichment Program				109,630	2,703,649
Education Stabilization Fund					
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	202017-01	146	-	131,936
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	202129-01	179	-	193,214
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	202101-01	9109	-	615,450
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	201793-01	81	-	5,298,739
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	202135-01	177	-	67,244,477
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	221431-01	249	-	80,000
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	211940-01	247	-	75,247,878
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth (ARP-HCY)	84.425W	221581-01	256	-	1,257
Total Education Stabilization Fund				-	148,812,951
Direct Payments:					
Impact Aid	84.041	pl874	pl874	-	153,048
Indian Education Grants to Local Educational Agencies	84.060	S060A200538	120	-	13
Indian Education Grants to Local Educational Agencies	84.060	S060A210538	220	-	24,385
Total Indian Education Grants to Local Educational Agencies				-	24,398
Total U.S. Department of Education				147,221	244,121,205
U.S. Department of Health and Human Services					
Direct Payments:					
<i>Research and Development Cluster</i>					
Child Health and Human Development Extramural Research	93.865	HHSN269201300124P	100	-	196,499
Child Health and Human Development Extramural Research	93.865	HHSN269201300124P	200	-	48,168
Total Child Health and Human Development Extramural Research				-	244,667
Total Research and Development Cluster				-	244,667

**THE BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-through/Program	Assistance Listing Number	Pass-through Grantor Number	MCPS Project Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (continued)					
Distributed through Maryland State Department of Education:					
Every Student Succeeds Act/Preschool Development Grants	93.434	211405-01	174	-	12,500
Distributed through Montgomery County, Maryland:					
<i>Head Start Cluster</i>					
Head Start	93.600	03CH011745-02-01	222	-	4,124,189
Head Start	93.600	03CH011745-02-01	223	-	45,387
Total Head Start				-	4,169,576
Total Head Start Cluster				-	4,169,576
Total U.S. Department of Health and Human Services					4,426,743
U.S. Department of Justice					
Distributed through RAND Corporation:					
National Institute of Justice Research, Evaluation and Development Project Grants	16.560	19158972	8972	-	508,021
Total U.S. Department of Justice					508,021
U.S. Department of Labor					
Distributed through Division of Workforce Development and Adult Learning:					
Apprenticeship USA Grants	17.285	F2150258	258	-	112
Total U.S. Department of Labor					112
U.S. Department of Homeland Security					
Distributed through Maryland Department of Emergency Management:					
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PW#304		-	160,391
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PW#360		-	9,487,131
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PW#374		-	3,582,070
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)				-	13,229,592
Total U.S. Department of Homeland Security					13,229,592
Grand Total Expenditures of Federal Awards				\$ 147,221	\$ 371,098,300

**THE BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

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, 2022, the fair market value of commodities consumed was \$5,127,668.

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	\$	302,447,234
Capital Fund Federal Expenditures		2,077,855
Enterprise Fund Federal Expenditures		94,089,032
Total Federal Expenditures per the ACFR		398,614,121
Add: Federal funds classified as reduction of expenditures:		
COVID-19 Disaster Grants		13,229,592
Prior Year SEFA Expenditure Corrections		157,150
Less: Funds not included on the Schedule:		
Medical Assistance		(4,687,446)
ERATE		(2,077,855)
Medicare Part D		(34,112,264)
FY 2021 School Safety Safe Schools Grant 164 (Revenue Reclassification)		(24,998)
Total Reported per Single Audit	\$	371,098,300

**THE BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

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? x yes 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? yes x 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)? yes x no

Identification of Major Federal Programs

Assistance Listing	Name of Federal Program or Cluster
10.555, 10,559, 10.582	Child Nutrition Cluster
21.027	COVID 19 - Coronavirus State and Local Fiscal Recovery Fund
84.365	English Language Acquisition State Grants
84.425C,D,U,W	COVID 19 - Education Stabilization Fund
93.600	Head Start Cluster
97.036	COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)

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

\$ 3,000,000

Auditee qualified as low-risk auditee? x yes no

Section II – Financial Statement Findings

Finding 2022-001: Material Audit Adjustments

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition

The Board's internal controls did not ensure that cash, accounts receivable, lease liability and corresponding leased assets and expenses were recorded accurately.

Criteria

COSO/Internal Control Framework defines control activities as "policies and procedures that help ensure management's directives are carried out." Management review controls are defined as, "the activities of a person, different than the preparer, through analyzing and performing oversight of activities performed, and is an integral part of any internal control structure." COSO/Internal Control Framework requires adequate internal controls over the recording of balances to ensure proper amounts are reported at year end.

Context

Our audit procedures detected material misstatements to cash, accounts receivable, lease liability and corresponding leased assets and expenses.

Cause

The Board's internal controls over financial reporting did not ensure proper reconciliation and detail review of account balances at year end was performed prior to submitting to the auditor for consideration.

Effect

Material adjusting journal entries to the financial statements were required to be made to properly state the account balances at year end.

Recommendation

We recommend that management review the existing policies and procedures for their account reconciliation process to ensure accounts are properly stated and a sufficient detail review of workpapers supporting the balances and transactions is completed. The review should be completed by a person other than the individual that prepared the reconciliation or supporting workpapers.

Views of Responsible Officials

Management agrees with this finding. Management will work to ensure our procedures are in compliance with GASB 87. We will work to train staff to ensure these procedures are properly followed. Management will work to ensure that account balances for cash and accounts receivable are reviewed at year end for accuracy and consistency with our policies.

Section III – Findings and Questioned Costs – Major Federal Programs

None noted.

MONTGOMERY COUNTY PUBLIC SCHOOLS

Expanding Opportunity and Unleashing Potential

DIVISION OF FINANCIAL SERVICES

December 19, 2022

Finding Number:	2021-001
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

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.

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.

Current Year Status:

Corrective action was taken.