

BOARD OF EDUCATION OF GARRETT COUNTY

FEDERAL AWARD PROGRAMS

SINGLE AUDIT REPORT

JUNE 30, 2019

BOARD OF EDUCATION OF GARRETT COUNTY

INDEX TO SINGLE AUDIT REPORT

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	1-3
FINANCIAL STATEMENTS	
Schedule of Expenditures of Federal Awards	4-5
Notes to Schedule of Expenditures of Federal Awards	6-7
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	9

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

Board of Education of Garrett County
Oakland, Maryland

Report on Compliance for Each Major Federal Program

We have audited the Board of Education of Garrett County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2019. The Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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 of Education of Garrett County'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 with each major federal program. However, our audit does not provide a legal determination of the Board of Education of Garrett County's compliance.

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Opinion on Each Major Federal Program

In our opinion, the Board of Education of Garrett County 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, 2019.

Report on Internal Control over Compliance

Management of the Board of Education of Garrett County 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. 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 Board of Education of Garrett County, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements. We issued our report thereon dated October 8, 2019, 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.

The Rodeheaver Group, P.C.

Oakland, Maryland
October 8, 2019

BOARD OF EDUCATION OF GARRETT COUNTY, MARYLAND

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019**

<u>Grant</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Project Period</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-through From State Department of Education				
Title I	84.010	180550-01	7/01/17 - 9/30/19	\$ 285,095
Title I	84.010	190540-01	7/01/18 - 9/30/20	807,595
				1,092,690
Special Education Cluster:				
MITP CLIG Part B	84.027	180208-01	7/01/17 - 9/30/18	2,757
IDEA Part B 611 - CLIG	84.027	180208-02	7/01/17 - 6/30/19	8,130
IDEA Part B	84.027	180352-01	7/01/17 - 9/30/19	88,379
IDEA Part B - Citizens Advisory	84.027	180352-02	7/01/17 - 9/30/18	888
Local Priority Flexibility - LAFF STARS	84.027	180352-03	7/01/17 - 9/30/18	492
IDEA Part B - LAFF Family Partnership	84.027	180352-05	7/01/17 - 9/30/18	3,391
IDEA Part B - LAFF Secondary Transition	84.027	180352-06	7/01/17 - 9/30/18	3,103
IDEA Part B	84.027	180951-01	7/01/17 - 9/30/18	2,889
Early Childhood Implementation	84.027	181268-01	12/01/17 - 9/30/19	33,173
Secondary Transition	84.027	181498-01	2/01/18 - 9/30/19	18,479
Access, Equity & Progress - IMP3 AEP-LIP	84.027	181610-01	4/01/18 - 9/30/19	20,099
SSCD-PLO	84.027	181679-01	6/01/18 - 5/31/19	750
MITP CLIG Part B 611	84.027	190145-01	7/01/18 - 9/30/19	8,988
IDEA Part B 611 Passthrough	84.027	190288-01	7/01/18 - 9/30/20	778,043
SE Advisory Committee (SECAC)	84.027	190288-02	7/01/18 - 9/30/19	1,475
LAFF - Family Support	84.027	190288-03	7/01/18 - 9/30/19	8,656
LAFF - Early Childhood Implementation	84.027	190288-04	7/01/18 - 9/30/20	30,867
Secondary Transition	84.027	190288-05	7/01/18 - 9/30/20	6,693
Access, Equity & Progress	84.027	190288-06	7/01/18 - 9/30/20	27,957
IDEA Part B - 611 MITP Clig	84.173	180176-01	7/01/17 - 9/30/18	693
IDEA Part B - 619 Ext MITP Clig	84.173	180176-02	7/01/17 - 9/30/18	115
IDEA Part B Preschool Passthrough	84.173	180336-01	7/01/17 - 9/30/19	4,964
IDEA Part B - 611 MITP Clig	84.173	190187-01	7/01/18 - 9/30/19	2,657
IDEA Part B - 619 Ext MITP Clig	84.173	190187-02	7/01/18 - 9/30/19	777
IDEA Part B Preschool Passthrough	84.173	190317-01	7/01/18 - 9/30/20	33,870
				1,088,285
IDEA Part C - I&T CLIG	84.181	180332-01	7/01/17 - 9/30/18	3,329
IDEA Part C - I&T CLIG	84.181	190168-01	7/01/18 - 9/30/19	19,648
				22,977
Perkins	84.048	190406-01	7/01/18 - 6/30/19	50,289
				50,289
Science Math Partnership - Title IIB - Addtl	84.366B	181695-01	6/01/18 - 9/30/18	1,275
				1,275
Improving Teacher Quality Title II	84.367	181260-01	7/01/17 - 6/30/19	51,747
Improving Teacher Quality -Master Teacher Symposium	84.367	181818-01	5/01/18 - 10/31/18	4,836
Improving Teacher Quality Title II - Supplement	84.367	190724-01	7/01/18 - 9/30/18	4,626
Supporting Effective Instruction Title II	84.367	191376-01	7/01/18 - 6/30/20	107,828
				\$ 169,037

The Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

BOARD OF EDUCATION OF GARRETT COUNTY, MARYLAND

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019**

<u>Grant</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Project Period</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-through From State Department of Education				
Striving Readers	84.371	181757-01	10/01/17 - 9/30/19	\$ 380,495
Striving Readers Adolescent Literature	84.371	191052-01	9/01/18 - 10/31/18	1,500
Striving Readers - Year 2	84.371	191086-01	10/01/18 - 9/30/19	294,273
				<u>676,268</u>
Inspired Designers	84.372	190952-01	7/01/18 - 11/30/18	1,050
SLDS Peer Collaborative Training	84.372	191188-01	7/01/18 - 6/30/19	822
OER PD Equipment Grant (SLDS)	84.372	191357-01	1/01/19 - 6/30/19	1,170
				<u>3,042</u>
Title IVA	84.424	181116-01	7/01/17 - 6/30/19	5,032
Title IVA	84.424	191293-01	7/01/18 - 6/30/20	39,737
				<u>44,769</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				<u>3,148,632</u>
U.S. DEPARTMENT OF AGRICULTURE				
Pass-through From State Department of Education				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	7/01/18 - 6/30/19	436,596
National School Lunch Program				
Cash Assistance	10.555	N/A	7/01/18 - 6/30/19	839,566
Non-Cash Assistance (Food Distribution)	10.555	N/A	7/01/18 - 6/30/19	117,201
Summer Food Service Program for Children	10.559	N/A	7/01/18 - 6/30/19	47,087
				<u>1,440,450</u>
Child and Adult Care Food Program	10.558	N/A	7/01/18 - 6/30/19	14,464
Child Nutrition Discretionary Grants - Food Equipment	10.579	181399-01	7/01/17 - 9/30/19	19,069
				<u>1,473,983</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>1,473,983</u>
TOTAL FEDERAL AWARDS				<u>\$ 4,622,615</u>

The Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Board of Education of Garrett County under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position, changes in financial position of the Board of Education in accordance with accounting principles generally accepted in the United States of America.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Board has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Food distribution program revenues reported in the Food Service Fund consist of non-monetary assistance. Revenue and expenditures are reported at the fair market value of the commodities received and adjusted for the change in inventory to reflect commodities consumed during the year. The Board had food commodities inventories on hand at June 30, 2019 of \$41,648.

Major Programs

The following program was tested as a major program:

<u>Program</u>	<u>CFDA Nos.</u>	<u>Federal Expenditures</u>
Special Education Cluster	84.027 & 84.173	\$ 1,088,285

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 3 - RECONCILIATION TO BASIC FINANCIAL STATEMENTS

Unrestricted Current Expense Fund

Total federal revenue recognized per basic financial statements	\$ 130,741
Army JROTC payments received for providing contract services	<u>(130,741)</u>
	<u>0</u>

Restricted Current Expense Fund

Total federal revenue recognized per basic financial statements	3,549,968
Medicaid payments received for providing patient care services to Medicaid eligible individuals not considered federal awards expended by the State of Maryland because funding is on a fee-for-service basis	<u>(401,336)</u>
	3,148,632

Food Service Fund

Total federal revenue recognized per basic financial statements	<u>1,473,983</u>
Total revenue recognized per schedule of expenditures of federal awards	<u>\$ 4,622,615</u>

BOARD OF EDUCATION OF GARRETT COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2019

2018 Findings

None

BOARD OF EDUCATION OF GARRETT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared			Unmodified	
Internal control over financial reporting:				
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) indentified that are not considered to be material weakness(es)?	_____	Yes	_____ <u>X</u> _____	No
Noncompliance material to financial statements noted?	_____	Yes	_____ <u>X</u> _____	No

Federal Awards

Type of auditor's report issued on compliance for major programs			Unmodified	
Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____	Yes	_____ <u>X</u> _____	No
Noncompliance material to financial statements noted?	_____	Yes	_____ <u>X</u> _____	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	_____	Yes	_____ <u>X</u> _____	No

Identification of Major Federal Programs

_____ CFDA Number(s) _____	_____ Name of Federal Program or Cluster _____
84.027 & 84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>750,000</u>		
Auditee qualified as a low risk auditee?	<u>X</u> _____	Yes	_____ No