

REQUIRED SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION OF GARRETT COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE BOARD'S NET OPEB LIABILITY AND RELATED RATIOS

	<u>Fiscal Year</u> <u>2020</u>	<u>Fiscal Year</u> <u>2019</u>	<u>Fiscal Year</u> <u>2018</u>	<u>Fiscal Year</u> <u>2017</u>
Total OPEB liability				
Service Cost	\$ 882,210	\$ 790,272	\$ 834,100	\$ 1,020,893
Interest	1,125,386	1,152,179	958,874	935,920
Difference between expected and actual experience	-	747,067	620,579	-
Changes of assumptions	9,603,519	742,738	(2,290,779)	-
Benefit payments	(1,083,732)	(1,016,851)	(956,707)	(1,486,183)
Net changes in total OPEB liability	<u>10,527,383</u>	<u>2,415,405</u>	<u>(833,933)</u>	<u>470,630</u>
Total OPEB liability - beginning	<u>32,691,080</u>	<u>30,275,675</u>	<u>31,109,608</u>	<u>30,638,978</u>
Total OPEB liability - ending (a)	<u>\$ 43,218,463</u>	<u>\$ 32,691,080</u>	<u>\$ 30,275,675</u>	<u>\$ 31,109,608</u>
 Plan fiduciary net position				
Contributions - employer	\$ 1,083,732	\$ 1,391,851	\$ 956,707	\$ 1,486,183
Net investment income	94,235	83,695	82,176	96,723
Benefit payments	(1,083,732)	(1,016,851)	(956,707)	(1,486,183)
Administrative expense	(362)	(4,303)	(4,836)	(5,077)
Net changes in plan fiduciary net position	<u>93,873</u>	<u>454,392</u>	<u>77,340</u>	<u>91,646</u>
Plan fiduciary net position - beginning	<u>1,672,555</u>	<u>1,218,163</u>	<u>1,140,823</u>	<u>1,049,177</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,766,428</u>	<u>\$ 1,672,555</u>	<u>\$ 1,218,163</u>	<u>\$ 1,140,823</u>
 Board's net OPEB liability - ending (a) - (b)	\$ 41,452,035	\$ 31,018,525	\$ 29,057,512	\$ 29,968,785
 Plan fiduciary net position as a percentage of total OPEB liability	4.09%	5.12%	4.02%	3.67%
 Covered employee payroll	\$ 24,516,317	\$ 24,516,317	\$ 23,950,813	\$ 25,234,000
 Net liability as a percentage of covered payroll	169%	127%	121%	119%
 Annual money-weighted rate of return, net of investment expense	6.00%	6.88%	7.22%	8.37%

This schedule is presented to illustrate the requirement to show the information for 10 years. Information prior to June 30, 2017 is not available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes in Benefit Terms - There were no benefit changes during the year.

Changes in Assumptions

The assumption change affecting the increase in the net OPEB liability was the change in the discount rate from 3.5% to 2.21%.

BOARD OF EDUCATION OF GARRETT COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MARYLAND STATE RETIREMENT AND PENSION SYSTEM**

	<u>Fiscal Year</u> <u>2020</u>	<u>Fiscal Year</u> <u>2019</u>	<u>Fiscal Year</u> <u>2018</u>	<u>Fiscal Year</u> <u>2017</u>	<u>Fiscal Year</u> <u>2016</u>	<u>Fiscal Year</u> <u>2015</u>
Board's percentage share of the ERS net pension liability	0.017%	0.016%	0.015%	0.016%	0.016%	0.014%
Board's proportionate share of the ERS net pension liability	\$ 3,486,789	\$ 3,456,888	\$ 3,318,137	\$ 3,827,956	\$ 3,248,091	\$ 2,551,859
State's proportionate share of the TRS net pension liability	<u>40,729,036</u>	<u>43,957,397</u>	<u>46,727,480</u>	<u>50,860,342</u>	<u>41,722,945</u>	<u>32,876,591</u>
TOTAL	<u><u>\$ 44,215,825</u></u>	<u><u>\$ 47,414,285</u></u>	<u><u>\$ 50,045,617</u></u>	<u><u>\$ 54,688,298</u></u>	<u><u>\$ 44,971,036</u></u>	<u><u>\$ 35,428,450</u></u>
Board's covered employee payroll	\$ 28,304,250	\$ 27,807,284	\$ 28,198,755	\$ 28,668,571	\$ 28,356,891	\$ 28,126,622
Board's proportionate share of the net pension liability as a percentage of its covered payroll	12.32%	12.43%	11.77%	13.35%	11.45%	9.07%
Plan fiduciary net position as a percentage of the total pension liability	72.34%	71.18%	69.38%	65.79%	68.78%	71.87%

This schedule is presented to illustrate the requirement to show the information for 10 years. Information prior to June 30, 2015 is not available.

BOARD OF EDUCATION OF GARRETT COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF BOARD'S CONTRIBUTIONS
MARYLAND STATE RETIREMENT AND PENSION SYSTEM**

	<u>Fiscal Year</u> <u>2020</u>	<u>Fiscal Year</u> <u>2019</u>	<u>Fiscal Year</u> <u>2018</u>	<u>Fiscal Year</u> <u>2017</u>	<u>Fiscal Year</u> <u>2016</u>	<u>Fiscal Year</u> <u>2015</u>
Contractually required contributions - ERS	\$ 347,147	\$ 328,541	\$ 312,320	\$ 316,062	\$ 329,429	\$ 335,089
Contributions in relation to the contractually required contribution - Employee Retirement System	<u>(347,147)</u>	<u>(328,541)</u>	<u>(312,320)</u>	<u>(316,062)</u>	<u>(329,429)</u>	<u>(335,089)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 28,304,250	\$ 27,807,284	\$ 28,198,755	\$ 28,668,571	\$ 28,356,891	\$ 28,126,622
Contributions as a percentage of covered-employee payroll -Employee Retirement System:	1.23%	1.18%	1.11%	1.10%	1.16%	1.19%

This schedule is presented to illustrate the requirement to show the information for 10 years. Information prior to June 30, 2015 is not available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes in Benefit Terms - There were no benefit changes during the year.

Changes in Assumptions

Adjustments to the roll-forward liabilities were made to reflect the following changes in assumptions in the 2019 valuation:

- Salary increase range assumptions changed from 3.20% - 9.10% to 3.10% -11.6%
- Rates of expected inflation changed from 2.60% general, 3.10% wage to 2.65% general, 3.15% wage
- The discount rate used for calculating the present value decreased from 7.45% to 7.4%

**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 Garrett County
M. Thomas Woods, President
Oakland, Maryland

We have audited in accordance with 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, 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, 2020, 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 29, 2020.

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) to determine the 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of 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 determination of financial statement amounts. 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 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.

The Rodeheaver Group, P.C.

Oakland, Maryland
September 29, 2020

BOARD OF EDUCATION OF GARRETT COUNTY

FEDERAL AWARD PROGRAMS

SINGLE AUDIT REPORT

JUNE 30, 2020

BOARD OF EDUCATION OF GARRETT COUNTY

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**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, 2020. 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, 2020.

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, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements. We issued our report thereon dated September 29, 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.

The Rodeheaver Group, P.C.

Oakland, Maryland
September 29, 2020

BOARD OF EDUCATION OF GARRETT COUNTY, MARYLAND

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

<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	190540-01	7/01/18 - 9/30/20	\$ 317,195
Title I	84.010	200995-01	7/01/19 - 9/30/21	723,792
Title I (Grant Opportunity / Student Groups)	84.010	200887-01	7/01/19 - 9/30/19	65,502
				<u>1,106,489</u>
 Special Education Cluster:				
Early Childhood Implementation	84.027	181268-01	12/01/17 - 9/30/19	16,178
Access, Equity & Progress - IMP3 AEP-LIP	84.027	181610-01	4/01/18 - 9/30/19	15,172
MITP CLIG Part B 611	84.027	190145-01	7/01/18 - 9/30/19	543
IDEA Part B 611 Passthrough	84.027	190288-01	7/01/18 - 9/30/20	119,010
SE Advisory Committee (SECAC)	84.027	190288-02	7/01/18 - 9/30/19	1,025
LAFF - Family Support	84.027	190288-03	7/01/18 - 9/30/19	7,344
LAFF - Early Childhood Implementation	84.027	190288-04	7/01/18 - 9/30/20	27,634
Secondary Transition	84.027	190288-05	7/01/18 - 9/30/20	45,745
Access, Equity & Progress	84.027	190288-06	7/01/18 - 9/30/20	25,737
IDEA Part B 611 Passthrough	84.027	200268-01	7/01/19 - 9/30/21	807,579
SE Advisory Committee (SECAC)	84.027	200268-02	7/01/19 - 9/30/20	75
LAFF - PTB 611 Family Support	84.027	200268-03	7/01/19 - 9/30/20	12,213
LAFF - PTB 611 PLO	84.027	200268-04	7/01/19 - 9/30/20	3,401
MITP CLIG Part B 611	84.027	200368-01	7/01/19 - 9/30/20	9,975
LAFF - Early Childhood	84.027	201117-01	10/01/19 - 9/30/21	5,856
Secondary Transition	84.027	201117-02	10/01/19 - 9/30/21	391
Access, Equity & Progress	84.027	201117-03	10/01/19 - 9/30/21	12,761
IDEA Part B - 619 MITP Clig	84.173	190187-01	7/01/18 - 9/30/19	2,343
IDEA Part B Preschool Passthrough	84.173	190317-01	7/01/18 - 9/30/20	4,137
IDEA Part B Preschool Passthrough	84.173	200316-01	7/01/19 - 9/30/21	23,322
IDEA Part B - 619 Discretionary MITP Clig	84.173	200442-01	7/01/19 - 9/30/20	4,930
IDEA Part B - 619 Ext Opt	84.173	200442-02	7/01/19 - 9/30/20	817
				<u>1,146,188</u>
IDEA Part C - I&T CLIG	84.181	190168-01	7/01/18 - 9/30/19	1,836
I&T CLIG PT C	84.181	200473-01	7/01/19 - 9/30/20	23,637
I&T CLIG PT C Spec	84.181	200473-02	7/01/19 - 9/30/20	1,555
				<u>27,028</u>
Perkins	84.048	200666-01	7/01/19 - 6/30/20	54,841
				<u>54,841</u>
Title II - Supporting Effective Instruction AIR	84.367	200940-01	7/01/19 - 9/30/21	119,122
Supporting Effective Instruction Title II	84.367	191376-01	7/01/18 - 6/30/20	43,154
Title II-NEXUS	84.367	191734-01	4/01/19 - 9/30/19	682
Title II-A	84.367	201059-01	7/01/19 - 6/30/21	46,491
				<u>\$ 209,449</u>

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, 2020**

<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				
Striving Readers	84.371	181757-01	10/01/17 - 9/30/19	\$ 19,505
Striving Readers - Year 2	84.371	191086-01	10/01/18 - 9/30/19	5,727
Striving Readers - Year 3	84.371	201250-01	10/01/19 - 9/30/20	251,552
Striving Readers Literacy Training	84.371	200972-01	9/01/19 - 12/02/19	375
				277,159
Title IVA	84.424	191293-01	7/01/18 - 6/30/20	42,392
Title IVA	84.424	201564-01	7/01/19 - 6/30/21	8,447
				50,839
Jacob Javits	84.206		7/01/19 - 9/30/20	38,177
				38,177
TOTAL U.S. DEPARTMENT OF EDUCATION				2,910,170
 <u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-through From State Department of Education				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	7/01/19 - 6/30/20	315,404
National School Lunch Program				
Cash Assistance	10.555	N/A	7/01/19 - 6/30/20	582,082
Non-Cash Assistance (Food Distribution)	10.555	N/A	7/01/19 - 6/30/20	182,530
Summer Food Service Program for Children	10.559	N/A	7/01/19 - 6/30/20	349,309
				1,429,325
Child and Adult Care Food Program	10.558	N/A	7/01/19 - 6/30/20	206,188
				206,188
Child Nutrition Discretionary Grants - Food Equipment	10.579	191462-01	7/01/18 - 9/30/20	29,160
				29,160
TOTAL U.S. DEPARTMENT OF AGRICULTURE				1,664,673
TOTAL FEDERAL AWARDS				\$ 4,574,843

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, 2020. 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, 2020 of \$70,170.

Major Programs

The following program was tested as a major program:

<u>Program</u>	<u>CFDA Nos.</u>	<u>Federal Expenditures</u>
Title I	84.010	\$ 1,106,489

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	\$ 111,159
Army JROTC payments received for providing contract services	<u>(111,159)</u>
	<u>0</u>

Restricted Current Expense Fund

Total federal revenue recognized per basic financial statements	3,105,595
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>(195,425)</u>
	2,910,170

Food Service Fund

Total federal revenue recognized per basic financial statements	<u>1,664,673</u>
Total revenue recognized per schedule of expenditures of federal awards	<u>\$ 4,574,843</u>

BOARD OF EDUCATION OF GARRETT COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2020

2019 Findings

None

BOARD OF EDUCATION OF GARRETT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

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	_____ X _____	No
Significant deficiency(ies) indentified that are not considered to be material weakness(es)?	_____	Yes	_____ X _____	No
Noncompliance material to financial statements noted?	_____	Yes	_____ X _____	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	_____ X _____	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____	Yes	_____ X _____	No
Noncompliance material to financial statements noted?	_____	Yes	_____ X _____	No
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

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I

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

September 29, 2020

Board of Education of Garrett County
Oakland, Maryland

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 (the Board), for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 23, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Board are described in Note 1 to the financial statements. As described in Note 15 to the financial statements, the Board changed accounting policies by adopting the provisions of Governmental Accounting Standard Board (GASB) Statement No. 84, entitled *Fiduciary Activities*. The adoption of this standard had the effect of increasing the Board's net position at the beginning of the current fiscal year by \$643,328. We noted no transactions entered into by the Board during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the net OPEB liability, and net pension liability which are based on an actuarial valuations of these liabilities. We evaluated the key factors and assumptions used to develop the estimate of the net OPEB liability and the net pension liability in determining that they are reasonable in relation to the financial statements taken as a whole. See Notes 8 and 10 to the financial statements for a description of the Plans and the actuarial methods and assumptions which went into developing these estimates.

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The financial statement disclosures are neutral, consistent and clear.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 29, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Board's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Board's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, the Schedule of Changes in the Board's Net OPEB Liability and Related Ratios, the Schedule of the Board's Proportionate Share of the Net Pension Liability - Maryland State Retirement and Pension System and the Schedule of the Board's Contributions - Maryland State Retirement and Pension System which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Education of Garrett County and Board management personnel and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

The Rodeheaver Group, P.C.

THE RODEHEAVER GROUP, PC