

**BOARD OF EDUCATION
OF KENT COUNTY, MARYLAND**

UNIFORM GUIDANCE
COMPLIANCE REPORT

June 30, 2024

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND

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**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 Kent County, Maryland
Rock Hall, 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, each major fund, and the aggregate remaining fund information of the Board of Education of Kent County, Maryland (the "Board"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board of Education of Kent County, Maryland's basic financial statements, and have issued our report thereon dated September 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered of the Board of Education of Kent County, Maryland'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 of Education of Kent County, Maryland's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of Kent County, Maryland'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of Kent County, Maryland'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 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 image shows a handwritten signature in dark ink that reads "UHY LLP". The letters are stylized and cursive, with the "U" and "H" being particularly prominent.

Salisbury, Maryland
September 30, 2024



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 Kent County, Maryland
Rock Hall, Maryland

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Board of Education of Kent County, Maryland's 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 of Education of Kent County, Maryland's major federal programs for the year ended June 30, 2024. The Board of Education of Kent County, Maryland'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 of Education of Kent County, Maryland, 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, 2024.

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, 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 of Education of Kent County, Maryland 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 of Education of Kent County Maryland'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 of Education of Kent County, Maryland'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 of Education of Kent County, Maryland'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 generally accepted auditing standards, *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 of Education of Kent County, Maryland's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 of Education of Kent County, Maryland'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 of Education of Kent County, Maryland'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 of Education of Kent County, Maryland'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 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 have not been 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, each major fund, and the aggregate remaining fund information of the Board of Education of Kent County, Maryland, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board of Education of Kent County, Maryland's basic financial statements. We issued our report thereon dated September 30, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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.

UHY LLP

Salisbury, Maryland
September 30, 2024, except for the Schedule of
Expenditures of Federal Awards, which is
dated December 19, 2024

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2024

Description	Grant Number	Federal Assistance Listing Number	Revenue Recognized/Expenditures	Amount Provided to Subrecipients
<u>U.S. DEPARTMENT OF AGRICULTURE - Pass-through from the Maryland State Department of Education:</u>				
<i>Child Nutrition Cluster:</i>				
School Breakfast	N/A	10.553	\$ 497,902	\$ -
Food Distribution - Commodities	N/A	10.555	75,442	-
National School Lunch Program	N/A	10.555	817,334	-
P-EBT	N/A	10.555	653	-
SCA - NSLP	N/A	10.555	7,779	-
			<u>901,208</u>	<u>-</u>
Summer Food Service Program	N/A	10.559	64,853	-
<i>Total Child Nutrition Cluster</i>			<u>1,463,963</u>	<u>-</u>
Child Nutrition Discretionary Grants - Limited Availability	231889	10.579	76,877	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE - Pass-through from the Maryland State Department of Education			<u>1,540,840</u>	<u>-</u>
<u>U.S. DEPARTMENT OF TREASURY - Pass-through from the Maryland State Department of Education:</u>				
COVID-19 ARPA: Supplemental Aid Grants - Supplemental Instruction and Tutoring Grant	211833	21.027	36,705	-
COVID-19 ARPA: Supplemental Aid Grants - Trauma and Behavioral Health Grant	211913	21.027	8,873	-
COVID-19 ARPA: Supplemental Aid Grants - Summer School Grant	211925	21.027	26,625	-
COVID-19 ARPA: Supplemental Aid Grants - Trauma and Behavioral Health Grant	211773	21.027	2,498	-
			<u>74,701</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF TREASURY - Pass-through from the Maryland State Department of Education			<u>74,701</u>	<u>-</u>
<u>U.S. DEPARTMENT OF EDUCATION - Pass-through from the Maryland State Department of Education:</u>				
<i>Special Education Cluster (IDEA):</i>				
Special Education - Grants to States:				
FY23 State Grant Part B 611 CLIG	230635	84.027A	408	-
2024 CLIG Part B 611	240813	84.027A	1,792	-
FY22 State Grants LAFF Part B 611 Passthrough	220402-01	84.027A	4,914	-
COVID-19 State Grants - B - State Priority: 2022 LAFF Part B 611 Passthrough PPPSS	221203-01	84.027X	1,267	-
FY23 Laff Part B 611 Passthrough	230596-01	84.027	22,977	-
FY23 LAFF Part B 611 Passthrough CCEIS	230596-02	84.027	76,691	-
FY23 LAFF Part B 611 State Priority Grant: SECAC	230596-03	84.027	1,467	-
FY23 LAFF Part B 611 State Priority Grant: FSS	230596-04	84.027	965	-
FY23 LAFF Part B 611 Early Childhood LIR Discretionary	230968-01	84.027A	13,928	-
FY23 LAFF Part B 611 Secondary Transition LIR Discretionary	230968-02	84.027A	31,744	-
FY23 LAFF Part B 611 AEP LIR Discretionary	230968-03	84.027A	64,042	-
2024 LAFF Part B Passthrough	240951-01	84.027	411,841	-
2024 LAFF Part B Special Education Citizens Advisory Committee (SECAC)	240951-03	84.027	623	-
2024 Family Support Services	240951-04	84.027	15,871	-
FY24 Part B 611 LIR - Early Childhood	241398-01	84.027	43,790	-
FY24 Part B 611 LIR - Secondary Transition	241398-02	84.027	2,917	-
FY24 Part B 611 LIR - AEP	241398-03	84.027	6,147	-
			<u>701,384</u>	<u>-</u>
Special Education - Preschool Grants:				
FY23Preschool Part B 619 Discretionary	230637-01	84.173A	842	-
FY23: Preschool Part B 619 Extended Option	230637-02	84.173A	495	-
FY23 LAFF Part B 619 Preschool Passthrough	230603-01	84.173A	16,428	-
FY23 LAFF Part B 619 Preschool Passthrough CCEIS	230603-02	84.173A	2,899	-
FY22 State Grant LAFF Part B 619 Preschool Passthrough PPPSS	220364-02	84.173A	7	-
2024 CLIG Part B 619 Discretionary (FSS)	240719-01	84.173A	2,896	-
2024 CLIG Part B 619 Extended Option	240719-02	84.173A	596	-
			<u>24,163</u>	<u>-</u>
<i>Total Special Education Cluster (IDEA)</i>			<u>725,547</u>	<u>-</u>

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2024
 (continued)

<u>Description</u>	<u>Grant Number</u>	<u>Federal Assistance Listing Number</u>	<u>Revenue Recognized/ Expenditures</u>	<u>Amount Provided to Subrecipients</u>
FY22 Title I - Part A	221501	84.010	\$ 20,658	\$ -
School Improvement Grant	232005	84.010A	40,509	-
School Improvement Supplemental Grant	232011	84.010A	9,456	-
FY24 School Improvement Final Allocation	241652	84.010A	1,910	-
FY23 Title I, Program Improvement and Family Support	231104-01	84.010	94,972	-
Title I, Part A	241289-01	84.010	667,110	-
			<u>834,615</u>	<u>-</u>
FY24 Perkins Formula Grant	240160	84.048A	32,378	-
FY23 CTE Reserve Fund Grant	230098	84.048A	1,077	-
			<u>33,455</u>	<u>-</u>
FY24 Vocational Rehabilitation - Pre ETS	240427	84.126	193	-
FY23 Infant and Toddler/Families (Part C) - F - CLIG - C	230612	84.181A	1,751	-
2024 CLIG Part C	240783	84.181A	17,040	-
FY24 Infants & Toddlers CLIG Part C: SSIP	240783-02	84.181A	46	-
COVID-19 IDEA/ARP Act of 2021 SFY2022 Part C ARP	221215-01	84.181X	2,047	-
COVID-19 IDEA/ARP - K-ARP-C One time substitution of usual Part B 611 Funds	221962-01	84.181X	3,114	-
COVID-19 IDEA/ARP Act of 2021 - M - Extended IFSP/Readiness SIG/ARP-C	221743-01	84.181X	6,592	-
COVID-19 IDEA/ARP Act of 2021 - M-Extended IFSP/Readiness SIG/ARP-C Family Engagement	221743-02	84.181X	2,548	-
			<u>33,138</u>	<u>-</u>
FY24 McKinney Vento Grant	241520	84.196A	1,322	-
FY24 21st CCLC PFTF: KEEP	241174	84.287	26,462	-
ELA: Additional Supplemental Funds	241703	84.365A	11,919	-
FY24 Title III, English Language Acquisition	241233	84.365A	9,899	-
			<u>21,818</u>	<u>-</u>
FY23 Title II-A	230703	84.367	77,879	-
FY24 Title II-A	240283	84.367	5,101	-
Achieving Academic Equity for Black Boys	211732	84.367A	6,210	-
FY23 AAEEBB	231415	84.367A	41,054	-
FY24 Title IIA Personalized Professional Learning	232146	84.367A	12,050	-
			<u>142,294</u>	<u>-</u>
FY22 Title IV, Part A	221545	84.424A	23,759	-
FY24 Title IV, Part A	240570	84.424A	5,528	-
FY23 Title IV-A	231212	84.424A	35,541	-
Stronger Connections Grant	232072	84.424F	155,954	-
			<u>220,782</u>	<u>-</u>
COVID-19 Elementary and Secondary School Emergency Relief Fund II (ESSER II)	202117	84.425D	471,912	-
COVID-19 Expanding AP Opportunities for Low-Income Students	221366	84.425D	468	-
			<u>472,380</u>	<u>-</u>
COVID-19 ARP ESSER - LEA Maryland Leads	221855	84.425U	23,058	-
COVID-19 ARP ESSER - MD Leads - Grow Your Own Staff	221855-02	84.425U	111,633	-
COVID-19 ARP ESSER - MD Leads - High Quality School Day Tutoring	221855-03	84.425U	876,258	-
COVID-19 ARP ESSER - MD Leads - The Science of Reading	221855-04	84.425U	591,788	-
COVID-19 ARP ESSER - MD Leads - Staff Support and Retention	221855-05	84.425U	681,486	-
COVID-19 ARP ESSER III LEA Grant Award	211939	84.425U	1,495,034	-
			<u>3,779,257</u>	<u>-</u>
COVID-19 FY24 McKinney Vento Supplemental Grant	241519	84.425W	54,810	-
Education Stabilization Fund			4,306,447	-
TOTAL U.S. DEPARTMENT OF EDUCATION - Pass-through from the Maryland State Department of Education			<u>6,346,073</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - Pass-through from the Maryland State Department of Education:</u>				
<u>CCDF Cluster</u>				
FY24 Local ECAC	241426	93.575	11,068	-
Total CCDF Cluster			<u>11,068</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - Pass-through from the Maryland State Department of Education			<u>11,068</u>	<u>-</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 7,972,682</u>	<u>\$ -</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024

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 Kent County, Maryland under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Board of Education of Kent County, Maryland, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Board of Education of Kent County, Maryland.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

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, where certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The Board of Education of Kent County, Maryland has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4. Reconciliation of Federal Awards

Restricted Federal awards/expenditures per statement of revenues, expenditures and changes in fund balances – governmental funds	\$8,398,000
Medicaid revenue/expense included in federal awards but not included on Schedule of Expenditures of Federal Awards	<u>(425,318)</u>
	<u><u>\$7,972,682</u></u>

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2024

Summary of Auditors' Results

1. The auditors' report expresses an unmodified opinion on whether the financial statements of the Board of Education of Kent County, Maryland were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Board of Education of Kent County, Maryland, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the Board of Education of Kent County, Maryland expresses an unmodified opinion on all major federal programs.
6. There are no audit findings relative to the major federal award programs for the Board of Education of Kent County, Maryland that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were:
 - 84.425D/84.425U/84.425W – Elementary and Secondary School Emergency Relief Fund
 - 84.010 – Title I
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The Board of Education of Kent County, Maryland was determined to be a low-risk auditee.

BOARD OF EDUCATION OF KENT COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2024

Findings - Financial Statement Audit

NONE

Findings and Questioned Costs – Major Federal Award Programs Audit

NONE