

**WASHINGTON COUNTY
BOARD OF EDUCATION**

SINGLE AUDIT REPORT

YEAR ENDED JUNE 30, 2023

WASHINGTON COUNTY BOARD OF EDUCATION
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2023

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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

INDEPENDENT AUDITOR'S REPORT

Members of the Board
Washington County Board of Education
Hagerstown, 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, each major fund, and the aggregate remaining fund information of the Washington County Board of Education (the "School System"), a component unit of Washington County, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the School System's basic financial statements and have issued our report thereon dated September 26, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School System'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 School System's internal control. Accordingly, we do not express an opinion on the effectiveness of the School System'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 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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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School System'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.

Harrisburg, Pennsylvania
September 26, 2023

Zelenkofske Axelrod LLC

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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

INDEPENDENT AUDITOR'S REPORT

Members of the Board
Washington County Board of Education
Hagerstown, Maryland

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Washington County Board of Education's (the "School System") 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 School System's major federal programs for the year ended June 30, 2023. The School System's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School System 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, 2023.

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 (Government Auditing Standards); 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School System 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 School System'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

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laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School System's federal programs.

Auditor's 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 School System'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 School System'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 School System'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 School System'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 School System'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.



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Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we considered to be a material weakness.

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. We consider the deficiency in internal control over compliance described in accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

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 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.

Government Auditing Standards requires the auditor to perform limited procedures on the School System's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School System's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



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

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the School System, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements. We issued our report thereon dated September 26, 2023, 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 School System's 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.

Zelenkofske Axlerod LLC

Zelenkofske Axlerod LLC

Harrisburg, Pennsylvania

December 15, 2023

WASHINGTON COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2023

PROGRAM	GRANT NUMBER	ASSISTANCE LISTING NUMBER (ALN)	BEGINNING DATE	ENDING DATE	GRANT AMOUNT	EXPENDITURES	SUBRECIPIENT EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE							
PASSED THROUGH THE MARYLAND STATE DEPARTMENT OF EDUCATION							
Child Nutrition Cluster:							
SCHOOL BREAKFAST	N/A	10.553	7/1/2022	6/30/2023	\$ 2,909,121	\$ 2,909,121	\$ -
TOTAL PROGRAM					2,909,121	2,909,121	-
NATIONAL SCHOOL LUNCH PROGRAM	N/A	10.555	7/1/2022	6/30/2023	7,203,119	7,203,119	-
USDA COMMODITIES USED	N/A	10.555	7/1/2022	6/30/2023	1,141,804	1,141,804	-
TOTAL PROGRAM					8,344,923	8,344,923	-
FRESH FRUIT AND VEGETABLE PROGRAM	N/A	10.582	7/1/2022	6/30/2023	187,799	187,799	-
TOTAL PROGRAM					187,799	187,799	-
TOTAL CHILD NUTRITION CLUSTER					11,441,843	11,441,843	-
CHLD NUTR DISCR GRNT-HES	201689-01	10.579	3/1/2022	6/30/2023	369,565	369,565	-
CHLD NUTR DISCR GRNT-HES	202063-01	10.579	7/1/2022	6/30/2023	403,161	403,161	-
TOTAL PROGRAM					772,726	772,726	-
EMERGENCY COVID SNACKS/SHELTER SUPPERS	N/A	10.558	7/1/2022	6/30/2023	96	96	-
AFTER SCHOOL SUPPERS	N/A	10.558	7/1/2022	6/30/2023	503,226	503,226	-
CASH IN LIEU OF COMMODITIES	N/A	10.558	7/1/2022	6/30/2023	37,461	37,461	-
TOTAL PROGRAM					540,783	540,783	-
COVID-19 PANDEMIC EBT	N/A	10.542	7/1/2022	6/30/2023	3,135	3,135	-
TOTAL PROGRAM					3,135	3,135	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE					12,758,487	12,758,487	-
U.S. DEPARTMENT OF LABOR							
PASSED THROUGH THE WESTERN MARYLAND CONSORTIUM							
Workforce Innovation and Opportunity Act (WIOA) CLUSTER							
WMC - STUDENT INTERVENTION PROG	N/A	17.259	08/31/2021	08/30/2022	22,094	9,392	-
TOTAL WIOA CLUSTER					22,094	9,392	-
TOTAL U.S. DEPARTMENT OF LABOR					22,094	9,392	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
PASSED THROUGH MARYLAND STATE DEPARTMENT OF EDUCATION							
PUBLIC HEALTH EMERGENCY RESPONSE							
COOPERATIVE AGREEMENT FOR EMERGENCY RESPONSE							
WASHINGTON COUNTY HEALTH DEPARTMENT	F924N	93.354	07/01/2021	06/30/2023	250,000	231,995	-
TOTAL PROGRAM					250,000	231,995	-
PROFESSIONAL LEARNING IN EARLY LITERACY	231130-02	93.434	09/01/2022	09/30/2023	54,668	40,019	-
TOTAL PROGRAM					54,668	40,019	-
CHILD CARE AND DEVELOPMENT BLOCK GRANT (CCDF Cluster)							
INF/TDLR BLUEPRINT ADDL FUNDS	220168-02	93.575	07/01/2021	06/30/2022	86,679	11,617	-
TOTAL PROGRAM (CCDF Cluster)					86,679	11,617	-
Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					391,347	283,631	-

WASHINGTON COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2023 (CONTINUED)

PROGRAM	GRANT NUMBER	ASSISTANCE LISTING NUMBER (ALN)	BEGINNING DATE	ENDING DATE	GRANT AMOUNT	EXPENDITURES	SUBRECIPIENT EXPENDITURES
APPALACHIAN REGIONAL COMMISSION							
DIRECT FEDERAL AWARD							
ARC-CREATING COMP THINKERS	MD-19488	23.001	03/01/2021	02/28/2022	100,000	465	-
ARC-DIESEL TECHNOLOGY	MD-20657	23.001	04/01/2022	04/30/2023	200,000	200,000	-
TOTAL PROGRAM - APPALACHIAN REGIONAL COMMISSION					300,000	200,465	-
U.S. DEPARTMENT OF EDUCATION							
PASSED THROUGH THE MARYLAND STATE DEPARTMENT OF EDUCATION							
TITLE I PART A FY22	221502-01	84.010	07/01/2021	09/30/2023	7,720,967	2,861,066	-
TITLE I PART A FY23	231100-01	84.010	07/01/2022	09/30/2024	8,573,348	5,434,693	-
TITLE I NEGLECTED & DELINQUENT FY22	221768-01	84.010	07/01/2021	09/30/2022	73,608	9,953	-
TITLE I NEGLECTED & DELINQUENT FY23	231258-01	84.010	07/01/2022	09/30/2023	83,969	45,593	-
SCHOOL IMPROVEMENT SET ASIDE FY22	232015-01	84.010	03/01/2023	09/30/2023	68,896	-	-
SCHOOL IMPROVEMENT SET ASIDE FY23	232009-01	84.010	03/01/2023	09/30/2024	397,194	-	-
TOTAL PROGRAM					16,917,982	8,351,305	-
SPECIAL EDUCATION CLUSTER (IDEA):							
FAMILY PARTNERSHIPS FY22	220398-04	84.027	07/01/2021	09/30/2022	16,000	2,694	-
FAMILY PARTNERSHIPS FY23	230632-04	84.027	07/01/2022	09/30/2024	16,000	15,727	-
PASSTHROUGH FY22	220398-01	84.027	07/01/2021	09/30/2023	4,945,590	1,283,954	-
PASSTHROUGH FY23	230632-01	84.027	07/01/2022	09/30/2024	5,113,313	3,595,148	-
PASSTHROUGH-PPPSS FY21	210426-02	84.027	07/01/2020	09/30/2022	11,805	8,228	-
PASSTHROUGH-PPPSS FY22	220398-02	84.027	07/01/2021	09/30/2023	12,008	8,593	-
PASSTHROUGH-PPPSS FY23	230632-02	84.027	07/01/2022	09/30/2024	16,356	957	-
LAFF ADVISORY CMTE FY22	220398-03	84.027	07/01/2021	09/30/2023	2,500	2,500	-
LAFF ARP PART B 611 PASSTHROUGH	221248-01	84.027	07/29/2021	09/30/2023	1,159,742	254,421	-
LAFF ARP PART B 611 PPPSS	221248-02	84.027	07/01/2021	09/30/2023	2,833	2,576	-
LAFF ARP PART B 619 PRESCH PASSTHRU	221251-01	84.027	07/01/2021	09/30/2023	86,215	60,396	-
LAFF ARP PART B 619 PRESCHOOL PPPSS	221251-02	84.027	07/01/2021	09/30/2023	244	244	-
LAFF SECONDARY TRANSITION FY22	221410-02	84.027	10/01/2021	09/30/2023	35,000	27,817	-
SECONDARY TRANSITION FY21	211001-02	84.027	07/01/2020	09/30/2022	91,164	22,458	-
SECONDARY TRANSITION FY23	231072-02	84.027	10/01/2022	09/30/2024	78,788	1,821	-
ST DISCR SPEC ED ADVISORY CMTE FY23	230632-03	84.027	07/01/2022	09/30/2024	2,500	629	-
ST DISCR-ACCESS EQUITY PROG FY21	211001-03	84.027	07/01/2020	09/30/2022	134,062	32,738	-
ST DISCR-ACCESS EQUITY PROG FY22	221410-03	84.027	10/01/2021	09/30/2023	39,062	24,306	-
ST DISCR-ACCESS EQUITY PROG FY23	231072.03	84.027	10/01/2022	09/30/2024	73,480	16,540	-
ST DISCR-EARLY CHILDHOOD LIG	211001-01	84.027	07/01/2020	09/30/2022	73,147	8,911	-
ST DISCR-EARLY CHILDHOOD LIG	221410-01	84.027	10/01/2021	09/30/2023	60,000	53,112	-
ST DISCR-EARLY CHILDHOOD LIG	231072-01	84.027	10/01/2022	09/30/2024	107,832	6,211	-
INF/TDLR PART B FY22	220166-01	84.027A	07/01/2021	09/30/2022	73,878	15,947	-
CLIG ARP INF/TDLR IDEA PART C	221216-01	84.027	07/01/2021	09/30/2023	43,123	43,123	-
CLIG INF/TDR PART B FY22	230587-01	84.027	07/01/2022	09/30/2023	54,738	48,015	-
UPWARD BOUND - SHH	N/A	84.027	07/01/2022	6/30/2023	424	424	-
TOTAL PROGRAM					12,249,804	5,537,490	-
PRESCHOOL PASSTHROUGH PPPSS FY22	220379-02	84.173	07/01/2021	09/30/2023	256	250	-
PRESCHOOL PASSTHROUGH PPPSS FY23	230647-02	84.173	07/01/2022	09/30/2024	615	-	-
PRESCHOOL PASSTHROUGH CCEIS	210449-01	84.173	07/01/2020	09/30/2022	13,483	13,483	-
PRESCHOOL PASSTHROUGH FY22	220379-01	84.173	07/01/2021	09/30/2023	90,515	34,770	-
PRESCHOOL PASSTHROUGH FY23	230647-01	84.173	07/01/2022	09/30/2024	96,263	16,848	-
INF/TDLR PART B (619) PRESCH FY22	220512-01	84.173A	07/01/2021	09/30/2022	7,000	2,817	-
INF/TDLR PART B (619) PRESCH FY23	230556-01	84.173A	07/01/2022	09/30/2024	7,000	6,683	-
CLIG INF/TDLR PART B 619 EXTD FY22	220512-02	84.173	07/01/2021	09/30/2022	5,417	5,417	-
CLIG INF/TDLR PART B 619 EXTD FY23	230556-02	84.173	07/01/2022	09/30/2024	4,987	1,231	-
TOTAL PROGRAM					225,536	81,499	-
TOTAL SPECIAL EDUCATION CLUSTER					12,475,340	5,618,989	-
PERKINS - TITLE I FY22	220534-02	84.048	07/01/2021	06/30/2022	315,542	158,756	-
PERKINS - TITLE I FY23	230086-01	84.048	07/01/2022	06/30/2023	376,907	358,027	-
Career and Technical Education - Basic Grants to State	230097-01	84.048A	07/01/2022	06/30/2023	30,000	30,000	-
TOTAL PROGRAM					722,449	546,783	-

WASHINGTON COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2023 (CONTINUED)

PROGRAM	GRANT NUMBER	ASSISTANCE LISTING NUMBER (ALN)	BEGINNING DATE	ENDING DATE	GRANT AMOUNT	EXPENDITURES	SUBRECIPIENT EXPENDITURES
INF/TDLR PART C FY22	220130-01	84.181A	07/01/2021	09/30/2022	150,017	19,919	-
INF/TDLR PART C FY23	230584-01	84.181A	07/01/2022	09/30/2023	138,102	115,827	-
CLIG INF/TD PART C ARP ADDL	221735-01	84.181X	07/01/2021	09/30/2023	84,742	39,869	-
CLIG INF/TD PART C ARP ADDL	221966-01	84.181X	06/30/2022	09/30/2023	32,901	21,828	-
TOTAL PROGRAM					405,762	197,443	-
EDUC FOR HOMELESS CHILDREN FY21	211315-01	84.196A	07/01/2020	09/30/2021	60,384	1,787	-
EDUC FOR HOMELESS CHILDREN FY22	221766-01	84.196A	07/01/2021	09/30/2023	64,746	40,398	-
EDUC FOR HOMELESS CHILDREN FY23	231223-01	84.196A	07/01/2022	09/30/2024	68,836	-	-
TOTAL PROGRAM					193,966	42,185	-
TITLE III ELA FY21	210481-01	84.365A	07/01/2020	09/30/2022	70,171	-	-
TITLE III ELA FY22	220670-01	84.365A	07/01/2021	09/30/2023	74,476	74,476	-
TITLE III ELA FY23	230693-01	84.365A	07/01/2022	09/30/2024	73,954	73,049	-
TITLE III ELA IMMIGRANTS FY21	200741-02	84.365A	07/01/2020	09/30/2022	113,354	3,586	-
TITLE III ELA IMMIGRANTS FY22	220670-02	84.365A	07/01/2021	09/30/2023	56,648	56,648	-
TITLE III ELA IMMIGRANTS FY23	230433-02	84.365A	07/01/2022	09/30/2024	59,378	56,205	-
TITLE III ELA BONUS FY 23	230433-03	84.365A	07/01/2022	09/30/2024	2,220	2,220	-
TOTAL PROGRAM					450,201	266,184	-
TITLE II PART A FY21	210800-01	84.367A	07/01/2020	06/30/2022	865,821	344,624	-
TITLE II PART A FY22	221061-01	84.367A	07/01/2021	06/30/2023	916,500	900,182	-
TITLE II PART A FY23	230693-01	84.367A	07/01/2022	06/30/2024	827,005	87,500	-
TOTAL PROGRAM					2,609,326	1,332,306	-
TITLE IV A FY21	211363-01	84.424A	07/01/2020	06/30/2022	546,301	31,575	-
TITLE IV A FY22	221522-01	84.424A	07/01/2021	09/30/2023	528,683	349,068	-
TITLE IV A FY23	231214-01	84.424A	07/01/2022	09/30/2024	611,518	321,043	-
TOTAL PROGRAM					1,686,502	701,686	-
COVID 19 ESSER I	201778-01	84.425D	03/13/2020	09/30/2022	5,606,131	1,368	-
COVID 19 ESSER- REOPENING SCHLS INCENTIVE	202042-01	84.425D	03/13/2020	09/30/2022	757,378	24,604	-
COVID 19 ESSER II	202115-01	84.425D	03/13/2020	09/30/2023	24,618,365	4,647,748	-
COVID 19 ESSER III	211935-01	84.425D	03/13/2020	09/30/2024	55,329,089	12,724,250	-
COVID 19 ARP ESSER HOMELESS CHILDREN AND YOUTH	221590-01	84.425W	07/01/2021	09/30/2023	136,014	-	-
COVID 19 ARP ESSER HOMELESS CHILDREN AND YOUTH	221895-01	84.425D	07/01/2021	09/30/2023	347,990	34,944	-
COVID 19 ARP ESSER AP OPPORTUNITY FOR LOW INCOME STUDENTS	221375-01	84.425D	07/01/2021	09/30/2023	85,486	46,067	-
COVID 19 ARP ESSER - MARYLAND LEADS SOR	221873-04	84.425D	06/01/2022	09/30/2024	2,169,659	1,592,650	-
COVID 19 ARP ESSER - MARYLAND LEADS RET	221873-03	84.425D	06/01/2022	09/30/2024	3,483,643	3,009,349	-
COVID 19 ARP ESSER - MARYLAND LEADS GYO	221873-02	84.425D	06/01/2022	09/30/2024	1,744,098	309,917	-
TOTAL PROGRAM					94,277,853	22,390,897	*
TOTAL U.S. DEPARTMENT OF EDUCATION					129,739,381	39,447,778	-
U.S. DEPARTMENT OF TREASURY							
PASSED THROUGH THE MARYLAND STATE DEPARTMENT OF EDUCATION							
COVID 19 ARP TRAUMA & BEHAVIOR HLTH	211783-01	21.027	03/03/2021	12/31/2024	325,136	17,248	-
COVID 19 ARP-SCHOOL REOPENING	211891-01	21.027	03/03/2021	09/30/2024	325,136	-	-
COVID 19 ARP-SUPPLEMENTAL TSI	211859-01	21.027	03/30/2021	12/31/2024	720,131	165,506	-
COVID 19 ARP-TRAUMA & BEHAVIORAL HEALTH	211895-01	21.027	03/03/2021	12/31/2024	487,704	314,633	-
COVID 19 ARP SUMMER SCHOOL	211922-01	21.027	03/03/2021	12/31/2024	862,486	-	-
COVID 19 ARM MD TUTORING FY22	211851-01	21.027	03/03/2021	12/31/2024	518,945	1,149,107	-
TOTAL PROGRAM					3,239,538	1,646,494	*
TOTAL DEPARTMENT OF TREASURY					3,239,538	1,646,494	-
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ 146,450,847	\$ 54,346,247	-

* - denotes tested as a major program

WASHINGTON COUNTY BOARD OF EDUCATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

NOTE 1: REPORTING ENTITY

The Single Audit is the performance of a uniform audit of all the School System's federal grants in conjunction with the annual audit of the basic financial statements. The adoption of such a procedure was formalized by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). The Single Audit fulfills all the Federal agencies' audit requirements, which include financial, compliance and the adequacy of internal control. The programs tested as major programs are indicated by an asterisk, placed at the total expenditures of the applicable program, on the Schedule of Expenditures of Federal Awards and on the Schedule of Findings and Questioned Costs.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditure of Federal Awards has been prepared on the modified accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when expenditures are made in accordance with the requirements of the respective grants.

The School System's indirect cost rate is approved annually by the Maryland State Department of Education. For the year ended June 30, 2023, the indirect cost rate was 3.14%.

NOTE 3: ACCRUED AND UNEARNED REIMBURSEMENT

Various reimbursement procedures are used for federal awards received by the School System. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the fiscal year. Accrued balances at year-end represent an excess of reimbursable expenditures over cash receipts to date. Unearned balances at year-end represent an excess of cash receipts over reimbursable expenditures to date. Generally, accrued or unearned balances caused by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period or subsequent fiscal year.

WASHINGTON COUNTY BOARD OF EDUCATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

NOTE 4: CLUSTER PROGRAMS

The following Assistance Listing Numbers (ALN's) have been deemed a cluster program by the Office of Management and Budget, and therefore are treated as one program in determining major programs to be audited:

Child Nutrition Cluster		Special Education Cluster (IDEA)	
ALN	Expenditures	ALN	Expenditures
10.553	2,909,121	84.027	\$ 5,537,490
10.555	8,344,923	84.173	<u>81,499</u>
10.582	<u>187,799</u>		
Total	<u>\$ 11,441,843</u>	Total	<u>\$ 5,618,989</u>
Workforce Initiative and Opportunity Act (WIOA) Cluster		Childcare and Development Block Grant (CCDF Cluster)	
ALN	Expenditures	ALN	Expenditures
17.259	\$ 9,392	93.575	<u>11,617</u>
Total	<u>\$ 9,392</u>	Total	<u>\$ 11,617</u>

NOTE 5: PROGRAM EXCLUSIONS

Medical assistance received under ALN 93.778 has not been included in the accompanying Schedule of Expenditures of Federal Awards and is not subject to single audit testing since funding is received under a contractor-type relationship.

Total Expenditures of Federal Awards	\$ 54,346,247
Add:	
Medical Assistance - ALN 93.778	2,594,463
Less:	
U.S. Department of Agriculture / Food Service Subsidies	<u>(11,986,185)</u>
Restricted Federal Government Revenues per Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	<u>\$ 44,954,525</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant Deficiency(s) identified that are not considered to be material weaknesses?
___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X yes ___ no
- Significant Deficiency(s) identified that are not considered to be material weaknesses?
___ yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes ___ no

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027/84.173	Special Education Cluster (IDEA)
84.425	COVID 19, Education Stabilization Funds
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$1,630,387

Auditee qualified as low-risk auditee? X yes ___ no

WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

WASHINGTON COUNTY BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2023

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

<u>Finding 2023-001</u>	<u>Procurement and Suspension and Debarment</u>
	ALN 84.027 and 84.173 Special Education Cluster (IDEA)
Criteria:	In accordance with 2 CFR 180.30, the School System is required to perform procedures to ensure that contractors are neither suspended nor debarred prior to entering into a contract to procure goods and services. This may be accomplished by checking the System for Award Management Exclusions, collecting a certification from the entity, or adding a clause or condition to the contract with the entity.
Condition:	For 2 out of 3 service contracts tested, we noted that the School System entered into a contract without performing procedures to ensure that the entity was not suspended or debarred when service contracts are contracted outside the competitive bidding process.
Cause:	The School System does not have adequate procedures in place to ensure controls over Federal Procurement and Suspension and Debarment compliance requirements are operating effectively.
Effect:	Adequate internal controls are not in place over Federal Procurement and Suspension and Debarment compliance requirements.
Questioned Costs:	None.
Recommendation:	Procedures should be implemented to ensure that contractors are neither suspended nor debarred prior to entering into a contract.
School System's Response:	The School System currently has a system in place to ensure contractors are not suspended or debarred for all purchases made through the competitive bidding process. Although not required to solicit bids for service contracts, the School System chooses to do so whenever possible. The contracts tested involve service contracts that were not run through the competitive bidding process to fulfill a need beyond what could be met by then-awarded providers. The School System will update its procurement procedures to ensure that a service provider is neither suspended nor debarred prior to entering into any contract that is not subject to the competitive bidding process. The School System will ensure that all required components are included within the contract. The Supervisor of Purchasing, or his designee, will use the System for Award Management Exclusions to verify that the provider is not suspended, debarred or otherwise excluded from doing business with the government and will require an affirmation from the provider regarding non-suspension or debarment. The School System will have this in place before the June 30, 2024 audit.

WASHINGTON COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

The summary which follows indicates the current year status of findings identified in the prior year Single Audit Report.

N/A – none