

THE BOARD OF EDUCATION OF
WORCESTER COUNTY, MARYLAND

UNIFORM GUIDANCE
SUPPLEMENTARY FINANCIAL REPORT

June 30, 2021

C O N T E N T S

	PAGES
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3 - 4
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 - 7
Schedule of Expenditures of Federal Awards	8 - 11
Notes to Schedule of Expenditures of Federal Awards	12
Schedule of Findings and Questioned Costs	13

Herbert J. Geary III
Roy J. Geiser
Chris A. Hall
Ronald W. Hickman
Mark A. Welsh



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*

The Board of Education of Worcester County, Maryland
Newark, 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 Board of Education of Worcester County (The Board), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise The Board of Education of Worcester County's basic financial statements, and have issued our report thereon dated September 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Board's internal control. Accordingly, we do not express an opinion on the effectiveness of The Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Board of Education of Worcester County'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.

A handwritten signature in cursive script that reads "JAM Group LLC".

Salisbury, Maryland
September 29, 2021

Herbert J. Geary III
Roy J. Geiser
Chris A. Hall
Ronald W. Hickman
Mark A. Welsh



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

The Board of Education of Worcester County, Maryland
Newark, Maryland

Report on Compliance for Each Major Federal Program

We have audited The Board of Education of Worcester County's (The Board) 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, 2021. 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'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; 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 for each major federal program. However, our audit does not provide a legal determination of The Board's compliance.

Opinion on Each Major Federal Program

In our opinion, The Board of Education of Worcester 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, 2021.

Report on Internal Control over Compliance

Management of The Board 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 a 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.

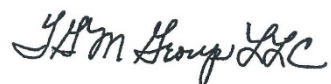
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 Board of Education of Worcester County as of and for the year ended June 30, 2021, and have issued our report thereon dated September 29, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 financial statements or to the 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.

A handwritten signature in black ink that reads "YLM Group LLC". The signature is written in a cursive, flowing style.

Salisbury, Maryland
September 29, 2021

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

THE BOARD OF EDUCATION OF WORCESTER COUNTY, MARYLAND

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

	Grant Number	Federal Assistance Listing Number	Expenditures	Amounts Paid to Subrecipients
DEPARTMENT OF EDUCATION				
Indirect Grants Passed Through The Maryland State Department of Education:				
Title I	190617-01	84.010	\$ 2,641	\$ -
Title I	200980-01	84.010	88,946	-
Title I	211114-01	84.010	1,806,597	-
Sub-Total			<u>1,898,184</u>	<u>-</u>
Special Education:				
Citizens Advisory Committee	200277-04	84.027	1,426	-
Disproportionality	200277-03	84.027	96,337	-
Family Partnerships	200277-05	84.027	5,449	-
Program Priorities	190356-07	84.027	863	-
Program Priorities	201116-03	84.027	38,627	-
Supplemental	200277-02	84.027	319	-
Pass Through	200277-01	84.027	139,541	-
Transition	190356-06	84.027	2,430	-
Transition	201116-02	84.027	26,396	-
One Time Disc Supp Part B 619	190356-05	84.027	4,057	-
One Time Disc Supp Part B 619	201116-01	84.027	43,016	-
Pass Through	210264-08	84.027	703,964	-
Pass Through Supplement	210264-09	84.027	17,978	-
Disproportionality	210264-10	84.027	59,228	-
Citizens Advisory Committee	210264-11	84.027	508	-
Family Partnerships	210264-12	84.027	8,467	-
Infant Toddler SD Conference	210264-13	84.027	250	-
SSIP	210264-14	84.027	99,199	-
Infant Toddler Part B	210512-01	84.027	20,195	-
One Time Disc Supp Part B 619	211000-01	84.027	29,349	-
Transition	211000-02	84.027	32,129	-
Program Priorities	211000-04	84.027	18,687	-
Sub-Total			<u>1,348,416</u>	<u>-</u>
Education of The Handicapped - Preschool Grants:				
Infant Toddler - Part B	201824-01	84.173	1,677	-
Infant Toddler - Part B	200433-01	84.173	1,929	-
Infant Toddler - Part B Supplement	201824-02	84.173	73	-
Infant Toddler - Part B Supplement	200433-02	84.173	1,498	-
Preschool Supplement	210427-01	84.173	262	-
Preschool Supplement	200265-02	84.173	342	-
Preschool	210427.02	84.173	33,583	-
Sub-Total			<u>39,364</u>	<u>-</u>
Total Special Education Cluster (IDEA)		84.027/84.173	<u>1,387,780</u>	<u>-</u>
Vocational Basic Grant:				
CTE Reserve Grant	200606-01	84.048	8,242	-
CTE Reserve Grant	210525-01	84.048	24,912	-
CTE Perkins Grant	210909-01	84.048	89,523	-
CTE Perkins Grant	200660-01	84.048	17,402	-
Sub-Total			<u>140,079</u>	<u>-</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

THE BOARD OF EDUCATION OF WORCESTER COUNTY, MARYLAND

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

	Grant Number	Federal Assistance Listing Number	Expenditures	Amounts Paid to Subrecipients
DEPARTMENT OF EDUCATION - CONTINUED				
Indirect Grants Passed Through The				
Maryland State Department of Education - continued:				
Infant Toddler Part C	200451-01	84.181	4,382	-
Infant Toddler	210300-01	84.181	41,169	-
Sub-Total			<u>45,551</u>	-
McKinney Vento Homeless Grant	211309-01	84.196	27,650	-
McKinney Vento Homeless Grant	201418-01	84.196	19,736	-
Sub-Total			<u>47,386</u>	-
21st CCLC Academy 100	210802-01	84.287	219,713	-
21st CCLC Academy 100	200802-01	84.287	148,776	-
21st CCLC Care Academies	210853-01	84.287	244,303	-
21st CCLC Care Academies	200803-01	84.287	179,777	-
Sub-Total			<u>792,569</u>	-
Title III ESL	190311-01	84.365	64	-
Title III ESL	200752-02	84.365	9,213	-
Title III ESL	210489-01	84.365	16,213	-
Title III Immigrant	200752-03	84.365	5,564	-
Sub-Total			<u>31,054</u>	-
Improving Teacher Quality	210779-01	84.367	141,891	-
Improving Teacher Quality	201068-01	84.367	132,871	-
Teach to Lead	200652-01	84.367	3,654	-
Sub-Total			<u>278,416</u>	-
Jacob Javits Gifted/Talented Grant	None	84.206A	17,281	-
Striving Readers Grant	201240-01	84.371	186,200	-
Sub-Total			<u>186,200</u>	-
Title II SLDS Prof Learning	201164-01	84.372	7,404	-
Sub-Total			<u>7,404</u>	-
Title IV	211366-01	84.424	71,633	-
Title IV	191281-01	84.424	4,224	-
Title IV	201582-01	84.424	46,744	-
Sub-Total			<u>122,601</u>	-
COVID-19 - Cares Act - ESSER - Emergency Relief	201779-01	84.425	762,830	-
COVID-19 - GEER Grant	201890-01	84.425	5,001	-
COVID-19 - CARES Reopening Schedule Incentive	202047-01	84.425	111,896	-
COVID-19 - CARES ESSER Grant	202116-01	84.425	965,666	-
COVID-19 - GEER Worcester on Wheels	202130-01	84.425	229,732	-
Sub-Total			<u>2,075,124</u>	-

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

THE BOARD OF EDUCATION OF WORCESTER COUNTY, MARYLAND

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

	Grant Number	Federal Assistance Listing Number	Expenditures	Amounts Paid to Subrecipients
DEPARTMENT OF EDUCATION - CONTINUED				
Indirect Grants Passed Through The Department of Labor:				
Adult Education	None	84.002	\$ 30,509	\$ -
Adult Education ASE	None	84.002	7,360	-
Adult Education Institutionalized	None	84.002	5,482	-
Sub-Total			<u>43,351</u>	-
TOTAL DEPARTMENT OF EDUCATION			<u>\$ 7,072,979</u>	<u>\$ -</u>
DEPARTMENT OF AGRICULTURE				
Passed Through State Department of Education:				
USDA Commodities	None	10.555	<u>108,618</u>	-
Summer Food Service Program FY21	None	10.559	1,718,263	-
COVID-19 - Summer Food Service Program	None	10.559	137,953	-
Sub-Total			<u>1,856,216</u>	-
Total Child Nutrition Cluster		10.555/10.559	<u>1,964,834</u>	-
At-Risk Meals and Suppers	None	10.558	<u>45,938</u>	-
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 2,010,772</u>	<u>\$ -</u>
DEPARTMENT OF THE TREASURY				
Passed Through State Department of Education:				
COVID-19 - CARES Technology Grant	201970-01	21.019	837,192	-
COVID-19 - CARES Technology Grant	201951-01	21.019	625,827	-
TOTAL DEPARTMENT OF THE TREASURY			<u>\$ 1,463,019</u>	<u>\$ -</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through State Department of Education:				
ECAC Early Childhood	201894-02	93.434	25,000	-
ECAC Early Childhood	211336-02	93.434	2,820	-
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 27,820</u>	<u>\$ -</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES				
Passed Through the Institute of Museum and Library Services:				
Accelerating Promising Prac	None	45.312	<u>11,141</u>	-
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			<u>\$ 11,141</u>	<u>\$ -</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 10,585,731</u>	<u>\$ -</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

THE BOARD OF EDUCATION OF WORCESTER COUNTY, MARYLAND

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

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 Worcester County, Maryland under programs of the federal government for the year ended June 30, 2021. 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 Worcester County, Maryland, it is not intended to and does not present the financial position, change in net assets, or cash flows of the Board of Education of Worcester County, Maryland.

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

Note 3. Indirect Cost Rate

The Board of Education of Worcester County has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

Note 4. Reconciliation of Federal Awards

Restricted Federal awards/expenditures per statement of revenues and expenditures – combined restricted and unrestricted	\$ 8,727,930
Restricted Federal awards/expenditures per statement of revenues, expenses and changes in fund net position – proprietary fund less MD meals for achievement (state funds)	1,902,154
USDA donated commodities per statement of revenues, expenses and changes in fund net position – proprietary fund	108,618
ROTC, other grant revenue/expenses included in federal revenue but not included on schedule of expenditures of federal awards	(122,074)
Medicaid revenue/expense included in federal revenues but not included on schedule of expenditures of federal awards	<u>(30,897)</u>
	<u>\$ 10,585,731</u>

THE BOARD OF EDUCATION OF WORCESTER COUNTY, MARYLAND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

A. Summary of Auditors' Results

1. The auditor's report expresses an unmodified opinion on the financial statements of The Board of Education of Worcester County, Maryland and 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 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 Worcester 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 in internal control over major federal award programs are reported in the Report on Compliance for Each Major Program and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for The Board of Education of Worcester County, Maryland expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The programs tested as major programs were:

<u>GRANT DESCRIPTION</u>	<u>CFDA #</u>
Coronavirus Relief Fund	21.019
Title I Part A	84.010
Governors Emergency Education Relief	84.425C/84.425D
21 st Century	84.287

8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The Board of Education of Worcester County, Maryland was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

None.

C. Findings and Questioned Costs – Major Federal Award Programs Audit

None