

**BOARD OF EDUCATION OF
FREDERICK COUNTY, MD**

**Single Audit Together with
Reports of Independent Public Accountants**

For the Year Ended June 30, 2021



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JUNE 30, 2021

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Members of the Board of Education
of Frederick County, Maryland
Frederick County, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The Board of Education of Frederick County, Maryland (the Board), a component unit of Frederick County, Maryland, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements.

Management's Responsibility for the Financial Statements

The Board's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Board, as of June 30, 2021, and the respective changes in its financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 7, during the year ended June 30, 2021, the Board adopted Government Accounting Standards Boards (GASB) Statement No. 84 *Fiduciary Activities*. This adoption resulted in a restatement of net position as of July 1, 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Contributions Related to Pension and Schedule of Proportionate Share of Net Pension Liability, and Schedule of Investment Returns for the Post-Employment Retiree Health Benefit Plan, and Schedule of Changes in Board's Net OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The introductory, supplementary information for the school construction fund, food nutrition services fund, school activity fund and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information for the school construction fund and food nutrition services fund 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. Such information has been subjected to the auditing procedures applied in the audit of the basic 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



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generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2021, on our consideration of the Board’s internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board’s internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board’s internal controls over financial reporting and compliance.

Owings Mills, Maryland
September 28, 2021

A handwritten signature in black ink that reads "SB & Company, LLC".



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board of Education
of Frederick County, Maryland
Frederick County, Maryland

Report on the Financial Statements

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 Frederick County, Maryland (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's basic financial statements, and have issued our report thereon dated September 28, 2021.

Internal Controls over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal controls over financial reporting (internal controls) 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 controls. Accordingly, we do not express an opinion on the effectiveness of the Board's internal controls.

A *deficiency in internal controls* 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 controls, 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 controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Given these limitations, during our audit we did not identify any deficiencies in internal controls over financial reporting 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 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 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 controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal controls 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 controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Owings Mills, Maryland
September 28, 2021

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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROLS
OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Members of the Board of Education
of Frederick County, Maryland
Frederick County, Maryland

Report on Compliance for Each Major Federal Program

We have audited the Board of Education of Frederick County, Maryland's (the Board) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (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.

Auditor's 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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.



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Opinion on Each Major Federal Program

In our opinion, the Board 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 Controls over Compliance

Management of the Board is responsible for establishing and maintaining effective internal controls 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 controls 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 controls over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal controls over compliance.

A deficiency in internal controls 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 controls over compliance* is a deficiency, or combination of deficiencies in internal controls 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 controls over compliance* is a deficiency, or a combination of deficiencies, in internal controls over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal controls over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls 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 controls over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Frederick County, Maryland, a component unit of Frederick County, Maryland, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated September 28, 2021, which contained an unmodified opinion on those financial statements.



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Our audit was conducted for the purpose of forming an opinion 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 basic 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.

Purpose of This Report

The purpose of this report on internal controls over compliance is solely to describe the scope of our testing of internal controls 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.

Owings Mills, Maryland
April 21, 2022

SB & Company, LLC

BOARD OF EDUCATION OF FREDERICK COUNTY, MD

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

Federal Agency, Pass-through Entity, Federal Program/State Project	LEA Project Number	Federal Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-through to Subrecipients
U. S. Department of Agriculture (USDA)					
<u>Pass-through Maryland State Department of Education</u>					
Child Nutrition Cluster:					
USDA Food Distribution Program	N/A	10.555	Unknown	\$ 878,964	\$ -
Summer Food Service Program for Children (SFSP)	N/A	10.559	Unknown	6,741,446	-
Total Child Nutrition Cluster				<u>7,620,410</u>	<u>-</u>
Fresh Fruit and Vegetable Program (FFVP)	N/A	10.582	Unknown	47,620	-
Child and Adult Care Food Program (CACFP)	N/A	10.558	Unknown	2,389,489	-
State Administrative Grant - USDA Foods Delivery Cost Reimbursement	N/A	10.560	202317-01	12,326	-
					-
Child Nutrition Discretionary Grants Limited Availability	46219	10.579	191459-01	1,230	-
Child Nutrition Discretionary Grant Limited Funds	46220	10.579	201683-01	11,722	-
Child Nutrition Discretionary Grant Limited Availability	46221	10.579	202068-01	5,129	-
Total U.S. Department of Agriculture				<u>10,087,926</u>	<u>-</u>
U.S. Department of the Treasury					
<u>Passthrough Maryland State Department of Education</u>					
Coronavirus Relief Fund - Tutoring Grant - COVID 19	41121	21.019	201930-01	2,143,019	-
Coronavirus Relief Fund - Technology Grant - COVID 19	45521	21.019	201937-01	4,826,382	-
<u>Pass-through City of Frederick and Frederick County Government</u>					
Coronavirus Relief Fund Passthrough FCG & City - COVID 19	41321	21.019	Unknown	3,030,160	-
Total U.S. Department of the Treasury				<u>9,999,561</u>	<u>-</u>

The accompanying notes are an integral part of this schedule.

BOARD OF EDUCATION OF FREDERICK COUNTY, MD

**Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2021**

Federal Agency, Pass-through Entity, Federal Program/State Project	LEA Project Number	Federal Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-through to Subrecipients
U. S. Department of Education (ED)					
<u>Direct Program</u>					
Impact Aid	N/A	84.041	N/A	80,430	-
<u>Passthrough Maryland State Department of Education</u>					
Title I, Part A Cluster					
Title I, Part A - Grant to Local School System	41520	84.010	201099-1	340,348	-
Title I, Part A - Grant to Local School System	41521	84.010	211110-1	4,723,343	-
Total Title I, Part A Cluster				5,063,691	-
Local Early Childhood Advisory Councils Quality Improvement Grant (PDG B-5)	41721	93.434	201805-01	24,994	-
Local Early Childhood Advisory Councils Quality Improvement Grant (PDG B-5)	41722	93.434	211332-01	7,468	-
State Grant - Parent, Infant, Early Childhood Preschool Development Grant (PDG B-5)	44221	93.434	201977-01	12,500	-
Special Education Cluster					
IDEA Part B - 611 Pass-through Family Support Systems	42420	84.027	200328-04	2,397	-
IDEA Part B - 611 Pass-through Family Support Systems	42421	84.027	210401-05	2,609	-
IDEA Part B - 611 Pass-through Special Education Citizens Advisory Committee	42520	84.027	200328-03	2,233	-
IDEA Part B - 611 Discretionary Local Implementation for Results (LIR)	44420	84.027	201637-01	76,471	-
IDEA Part B - 611 Pass-through Early Childhood Local Implementation for Results (LIR)	45619	84.027	190330-05	11,442	-
IDEA Part B - 611 Discretionary Early Childhood Local Implementation for Results (LIR)	45620	84.027	201112-01	111,287	-
IDEA Part B - 611 Discretionary Early Childhood Local Implementation for Results (LIR)	45621	84.027	211024-01	11,387	-
IDEA Part B - 611 Access, Equity and Progress Local Implementation Plan	45819	84.027	190330-07	14,403	-
IDEA Part B - 611 Discretionary Access, Equity and Progress Local Implementation Plan	45820	84.027	201112-03	74,119	-
IDEA Part B - 611 Comprehensive Coordinated Early Intervening Services (CCEIS)	46421	84.027	210401-03	1,196,873	-
IDEA Part B - 611 Pass-through Parentally Placed Private School Students (PPPSS)	46620	84.027	200328-02	22,249	-
IDEA Part B - 611 Pass-through Parentally Placed Private School Students (PPPSS)	46621	84.027	210401-02	78,351	-
IDEA Part B - 611 Pass-through - Assistance for Education of Children with Disabilities	46721	84.027	210401-01	6,602,064	-

The accompanying notes are an integral part of this schedule.

BOARD OF EDUCATION OF FREDERICK COUNTY, MD

**Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2021**

Federal Agency, Pass-through Entity, Federal Program/State Project	LEA Project Number	Federal Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-through to Subrecipients
U. S. Department of Education (ED) (continued)					
IDEA Part B - 611 Pass-through - Secondary Transition Local Implementation for Results (LIR)	48219	84.027	190330-06	62,092	-
IDEA Part B - 611 Pass-through - Secondary Transition Local Implementation for Results (LIR)	48220	84.027	201112-02	73,375	-
IDEA Part B - 619 Preschool Pass-through	46920	84.173	200281-01	17,570	-
IDEA Part B - 619 Preschool Pass-through	46921	84.173	210450-02	118,927	-
<u>Pass-through Frederick County Government</u>					
MD Infants and Toddlers - Consolidated Local Implementation Grant (CLIG)	49821	84.027A	201863-01	37,913	-
Total Special Education Cluster				<u>8,515,762</u>	<u>-</u>
<u>Pass-through Maryland State Department of Education</u>					
Career and Technology Education Reserve Fund (Vocational Education)	47820	84.048	200976-01	108	-
Career and Technology Education Reserve Fund (Vocational Education)	47821	84.048A	210578-01	42,511	-
Career and Technology Education Perkins Formula (Vocational Education)	47920	84.048	200962-01	2,714	-
Career and Technology Education (Perkins Formula)	47921	84.048A	210927-01	322,807	-
21st Century Community Learning Centers: Fun Academics in the Summer Time (FAST)	40120	84.287	200956-01	264,120	-
21st Century Community Learning Centers: Fun Academics in the Summer Time (FAST)	40121	84.287	211346-01	129,585	-
21st Century Community Learning Center (pass-through Mt. Carmel United Methodist Church)	40420	84.287	Unknown	26,030	-
Title III Part A - English Language Acquisition (LEP) State Formula Grant	40619	84.365A	190315-01	61,928	-
Title III Part A - English Language Acquisition (EL) State Formula Grant	40620	84.365A	200731-01	214,687	-
Title III Part A - English Language Acquisition (ELA) State Formula Grant	40621	84.365A	210477-01	4,158	-
Title III Part A - English Language Acquisition (Immigrant) State Formula Grant	40819	84.365A	190315-02	26,523	-
Title III Part A - English Language Acquisition (Immigrant) State Formula Grant	40820	84.365A	200731-02	6,013	-
Pathways to STEM Apprenticeship Maryland Grant	47021	84.051E	211324-01	7,505	-
Title II, Part A - Supporting Effective Instruction	49519	84.367	191377-01	46	-
Title II, Part A - Supporting Effective Instruction	49520	84.367A	201062-01	524,485	-
Title II, Part A - Supporting Effective Instruction	49521	84.367A	210789-01	98,618	-
Striving Readers Comprehensive Literacy Grant - Year 2	49919	84.371C	191085-01	3,790	-
Striving Readers Comprehensive Literacy Grant - Year 3	49920	84.371C	201316-01	277,711	-

The accompanying notes are an integral part of this schedule.

BOARD OF EDUCATION OF FREDERICK COUNTY, MD

**Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2021**

Federal Agency, Pass-through Entity, Federal Program/State Project	LEA Project Number	Federal Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-through to Subrecipients
U. S. Department of Education (ED) (continued)					
McKinney Vento Education For Homeless Children And Youth	42220	84.196A	201475-01	49,442	-
McKinney Vento Education For Homeless Children And Youth	42221	84.196A	211316-01	13,978	-
Title IV, Part A - Student Support and Academic Enrichment Program (SSAE)	42819	84.424A	191292-01	111,760	-
Title IV, Part A - Student Support and Academic Enrichment Program (SSAE)	42820	84.424A	201563-01	191,673	-
Title IV, Part A - Student Support and Academic Enrichment Program (SSAE)	42821	84.424A	211370-01	57,503	-
Governors Emergency Education Relief Fund (GEER)	44921	84.425C	201882-01	321,460	-
Elementary and Secondary School Emergency Relief Fund (ESSER II)	40221	84.425D	202239-01	3,949,697	-
Elementary and Secondary School Emergency Relief Fund (ESSER)	40721	84.425D	201786-01	1,869,432	-
Elementary and Secondary School Emergency Relief Fund (ESSER) - Food Nutrition Services	44521	84.425D	202094-01	44,506	-
Elementary and Secondary School Emergency Relief Fund (ESSER) - Reopening Schools Incentive Grant	49321	84.425D	202051-01	162,388	-
Total Pass-through Maryland State Department of Education and Frederick County Government				<u>22,409,593</u>	-
Total U.S. Department of Education				<u>22,490,023</u>	-
U.S. Department of Health and Human Services					
Provider Fund Grant - COVID-19	41821	93.498	N/A	117,579	-
U.S. Department of the Interior					
<u>Pass-through Environmental Protection Agency</u>					
EPA-US Environmental Protection Agency	N/A	66.039	N/A	200,000	-
U.S. Department of Homeland Security					
Federal Emergency Management Agency	N/A	97.036	N/A	37,258	-
<u>Pass-through The United Way</u>					
Emergency Food and Shelter Program	49221	97.024	N/A	27,668	-
Total U.S. Department of Homeland Security				<u>64,926</u>	-
TOTAL FEDERAL EXPENDITURES				<u>\$ 42,960,015</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

BOARD OF EDUCATION OF FREDERICK COUNTY, MD

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

All Federal grant operations of the Board are included in the scope of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the major grant programs noted below. The programs on the Schedule of Expenditures of Federal Awards represent all Federal award programs with fiscal year 2021, cash or non-cash expenditure activities. For single audit testing, we tested to ensure coverage of at least 20% of Federally granted funds. Actual coverage was 63%.

Expenditures reported on the Schedule of Expenditures of Federal Awards are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 as allowed under the Uniform Guidance.

<u>Major Programs</u>	<u>Federal Assistance Listing</u>	<u>Federal Expenditures</u>
Special Education Cluster (IDEA)	84.027, 84.027A, 84.173	\$ 8,515,762
Child and Adult Care Food Program (CACFP)	10.558	2,389,489
Coronavirus Relief Fund - COVID 19	21.019	9,999,561
Governors Emergency Education Relief Fund (GEER) and Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425C, 84.425D	6,347,483
Total Major Programs		\$ 27,252,295

2. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The non-cash expenditures of \$878,964, were reported under Assistance Listing No. 10.555, USDA Food Distribution Program. These non-cash expenditures represent the value of food commodities distributed in fiscal year 2021, as calculated using the U.S. Department of Agriculture, Food and Nutrition Commodity Price List in effect as of July 1, 2020.

BOARD OF EDUCATION OF FREDERICK COUNTY, MD

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

3. RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

Total expenditures per the Schedule of Expenditures of Federal Awards reconcile to the Board's basic financial statements as follows:

Revenues per the Statement of Revenues, Expenditures and Changes in Fund Balances

Federal - General Funds (includes Impact Aid, EPA, FMA, ROTC)	\$ 34,261,272
Federal - Food and Nutrition Services	<u>10,069,845</u>
Total per Financial Statements	44,331,117
Less: Medical Assistance payments not recorded on Schedule of Expenditures of Federal Awards (Schedule)	1,275,632
Less: U.S. NJROTC Federal reimbursement not on Schedule	<u>95,470</u>
Total expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 42,960,015</u>

BOARD OF EDUCATION OF FREDERICK COUNTY, MD

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Section I- Summary of Independent Public Accountants' Results

Financial Statements

Type of Independent Public Accountant's Report Issued	Unmodified
Internal controls over financial reporting:	
Material weakness (es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Type of Independent Public Accountants' Report issued on compliance for major program	Unmodified
Internal controls over major programs:	
Material weakness (es) identified?	No
Significant deficiency(ies) identified?	None Reported
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	No

Identification of Major Programs:

<u>Major Programs</u>	<u>Federal Assistance Listing</u>	<u>Federal Expenditures</u>
Special Education Cluster (IDEA)	84.027, 84.027A, 84.173	\$ 8,515,762
Child and Adult Care Food Program (CACFP)	10.558	2,389,489
Coronavirus Relief Fund - COVID 19	21.019	9,999,561
Governors Emergency Education Relief Fund (GEER) and Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425C, 84.425D	6,347,483
Total Major Programs		<u>\$ 27,252,295</u>
Threshold for distinguishing between Type A and B programs		\$ 1,288,800
Auditee qualified as low risk auditee?		Yes

BOARD OF EDUCATION OF FREDERICK COUNTY, MD

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Section II –Financial Statement Findings

None noted.

Section III –Federal Award Findings

None noted.

BOARD OF EDUCATION OF FREDERICK COUNTY, MD

**Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021**

There were no findings for the year ended June 30, 2020.