

**BOARD OF EDUCATION OF
CARROLL COUNTY, MARYLAND**

REPORT ON SINGLE AUDIT

YEAR ENDED JUNE 30, 2023



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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**

Members
Board of Education of Carroll County
Westminster, 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 Carroll County Public Schools, Maryland (the Board), a component unit of Carroll County, Maryland as of and for the year ended June 30, 2023, 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 14, 2023.

Report on 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a significant deficiency.

Report on 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 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*.

The Board’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Board’s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Board’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 14, 2023



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

Members
Board of Education of Carroll County
Westminster, Maryland

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Board of Education of Carroll County's (the Board) 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's major federal programs for the year ended June 30, 2023. The Board'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 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; 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 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'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'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'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 Board'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 Board'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'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'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 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. *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 were not 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 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements. We issued our report thereon dated September 14, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements, as a whole. 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.



CliftonLarsonAllen LLP

Baltimore, Maryland
December 4, 2023

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

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
U.S. Department of Education				
Passed through the Maryland State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	221516-01	\$ -	\$ 460,620
Title I Grants to Local Educational Agencies	84.010	231249-01	-	1,743,408
Title I Grants to Local Educational Agencies	84.010	211119-01	-	11,415
Total Title I Grants to Local Educational Agencies			-	2,215,443
Special Education Cluster (IDEA)				
COVID - 19 Special Education Grants to States	84.027	221240-01	-	14,135
Special Education Grants to States	84.027	230565-01	-	4,737,993
Special Education Grants to States	84.027	230565-03	-	44,186
Special Education Grants to States	84.027	221167-03	-	54,815
Special Education Grants to States	84.027	230565-05	-	18,000
Special Education Grants to States	84.027	220164-01	-	908
Special Education Grants to States	84.027	230462-01	-	30,173
Special Education Grants to States	84.027	211013-01	-	25,635
Special Education Grants to States	84.027	231076-02	-	39,497
Special Education Grants to States	84.027	231076-03	-	28,120
Special Education Grants to States	84.027	230565-04	-	2,500
Special Education Grants to States	84.027	221167-01	-	21,879
Special Education Grants to States	84.027	221167-02	-	43,278
Special Education Grants to States	84.027	220390-05	-	107,472
Special Education Grants to States	84.027	230565-02	-	52,717
Total Special Education Grants to States			-	5,221,308
COVID -19 Special Education Preschool Grants	84.173	221241-01	-	86,240
Special Education Preschool Grants	84.173	230610-01	-	180,789
Special Education Preschool Grants	84.173	230622-01	-	7,000
Special Education Preschool Grants	84.173	230622-02	-	5,315
Total Special Education Preschool Grants			-	279,344
Total Special Education Cluster (IDEA)			-	5,500,652
Career and Technical Education -- Basic Grants to States	84.048	230093-01	-	199,221
Career and Technical Education -- Basic Grants to States	84.048	230105-01	-	38,673
Total Career and Technical Education -- Basic Grants to States			-	237,894
Special Education-Grants for Infants and Families	84.181	221222-01	-	25,334
Special Education-Grants for Infants and Families	84.181	230416-01	-	147,181
Special Education-Grants for Infants and Families	84.181	221758-01	-	11,817
Special Education-Grants for Infants and Families	84.181	221758-02	-	1,176
Special Education-Grants for Infants and Families	84.181	221957-01	-	35,063
Total Special Education-Grants for Infants and Families			-	220,571
English Language Acquisition State Grants	84.365	220674-01	-	24,130
English Language Acquisition State Grants	84.365	230434-01	-	40,444
Total English Language Acquisition State Grants			-	64,574
Supporting Effective Instruction State Grants	84.367	230709-01	-	234,607
Supporting Effective Instruction State Grants	84.367	221045-01	-	149,468
Supporting Effective Instruction State Grants	84.367	230666-01	-	26,680
Supporting Effective Instruction State Grants	84.367	230826-01	-	46,000
Total Supporting Effective Instruction State Grants			-	456,755

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
U.S. Department of Education (continued)				
Student Support and Academic Enrichment Program	84.424	231208-01	-	30,517
Student Support and Academic Enrichment Program	84.424	221530-01	-	156,836
Student Support and Academic Enrichment Program	84.424	211378-01	-	71,371
Total Student Support and Academic Enrichment Program			-	258,724
Education Stabilization Fund				
COVID-19 - Governor's Emergency Educaiton Relief Fund	84.425C	202125-01	\$ -	\$ 646,745
COVID-19 - Elementary and Secondary School Emergency Relief Grant	84.425D	221235-01	-	13,616
COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	211948-01	-	4,948,638
COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	221876-05	-	707,790
COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	221876-01	-	130,710
COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	221876-02	-	5,338
COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	221876-03	-	1,046,153
COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	221876-04	-	186,844
COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	221876-06	-	105,595
Total COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)			-	7,131,068
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief – Homeless Children and Youth (ARP-HCY)	84.425W	221570-01	-	23,295
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief – Homeless Children and Youth (ARP-HCY)	84.425W	221792-01	-	2,009
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief – Homeless Children and Youth (ARP-HCY)			-	25,304
Total Education Stabilization Fund			-	7,816,733
Total U.S. Department of Education			-	16,771,346
U.S. Department of Agriculture				
Passed through the Maryland State Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	n/a	-	1,020,330
National School Lunch Program	10.555	n/a	-	1,028,006
National School Lunch Program	10.555	n/a	-	3,693,893
Total National School Lunch Program			-	4,721,899
Summer Food Service Program for Children	10.559	n/a	-	94,894
Total Child Nutrition Cluster			-	5,837,123
Child and Adult Care Food Program	10.558	n/a	-	16,735
State Administrative Expenses for Child Nutrition	10.560	n/a	-	424,044
Total U.S. Department of Agriculture			-	6,277,902

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed-Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of the Treasury				
Passed through the Maryland State Department of Education:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	211763-01	-	53,126
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	211841-01	-	1,823,578
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	211928-01	-	160,066
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	211868-01	-	134,558
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	-	1,530,735
Total Coronavirus State and Local Fiscal Recovery Funds			-	<u>3,702,063</u>
Total U.S. Department of the Treasury			-	<u>3,702,063</u>
U.S. Department of Health and Human Services				
Passed through the Maryland State Department of Education:				
Every Student Succeeds Act/Preschool Development Grants	93.434	221646-01	-	17,263
Total U.S. Department of Health and Human Services			-	<u>17,263</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 26,768,574</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**BOARD OF EDUCATION OF CARROLL COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Board under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position, change in net assets or cash flows of the Board.

Basis of Accounting

The accompanying schedule of expenditures of federal awards has been prepared using the modified accrual basis of accounting. This basis of accounting is fully described in Note 1 to the Board's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 RELATION TO FINANCIAL STATEMENTS AND FEDERAL FINANCIAL REPORTS

The following schedule reconciles the amounts per the financial statements to the amounts per the schedule of expenditures of federal awards for the year ended June 30, 2023:

	Governmental Funds
REVENUE	
BALANCE PER FINANCIAL STATEMENTS	
Federal Revenues	\$ 27,675,883
Less:	
Miscellaneous Adjustments	358,621
Medical Assistance Revenue	(1,265,930)
Total Per Schedule of Expenditures of Federal Awards	\$ 26,768,574

NOTE 3 INDIRECT COST RATE

The Board has not elected to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

**BOARD OF EDUCATION OF CARROLL COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? X yes _____ none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditors’ 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)? _____ yes X no

Identification of Major Federal Programs

Assistance Listing Number(s)

84.425C/84.425D/84.425U/84.425W
84.027/84.173
21.027

Name of Federal Program or Cluster

COVID-19 – Education Stabilization Fund
Special Education Cluster
COVID-19 – State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$803,057

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

**BOARD OF EDUCATION OF CARROLL COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

Finding 2023-001: Subsequent Disbursements

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition

The Board's procedures for reviewing subsequent payments after year end to ensure completeness of accounts payable at the balance sheet date did not identify an invoice related to the capital projects fund that was recorded in fiscal year 2023. The invoice should have been recorded in fiscal year 2024.

Criteria

Generally accepted accounting principles require expenditures to be recorded when incurred (i.e., goods and/or services are received). Internal controls need to be appropriately designed to identify and record expenditures in the correct accounting period.

Cause

The Board did not adequately review the invoice to ensure expenditures were recorded in the proper accounting period.

Effect

An adjusting journal entry to the financial statements was required to be made to the capital projects fund to adjust the accounts payable and expense accounts at year end.

Recommendation

We recommend that management review the existing policies and procedures related to recording of payables at year end and make the necessary modifications to ensure adequate recording of accounts payable at year end.

Views of Responsible Officials

Management agrees with the accrual correction to properly record Capital Improvement Project (CIP) expenditures in the appropriate fiscal year. In this instance, the CIP expenditure occurred immediately after fiscal year end and should not have been accrued back to FY 23. Unfortunately, this accrual was not discovered during the year-end review process. In the future, invoices will be closely reviewed for date of service delivery in order to record in the proper fiscal year.

Section III – Findings and Questioned Costs – Major Federal Programs

None