

WASHINGTON COUNTY BOARD OF EDUCATION
REPORT ON SINGLE AUDIT
YEAR ENDED JUNE 30, 2024



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**WASHINGTON COUNTY BOARD OF EDUCATION
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
Washington County Board of Education
Hagerstown, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) 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, business type activities, each major fund, and the aggregate remaining fund information of the Washington County Board of Education (the Board), a component unit of Washington County, Maryland as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated September 27, 2024.

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 questioned costs as item 2024-001 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*.

Washington County Board of Education'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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Baltimore, Maryland
September 27, 2024



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Washington County Board of Education
Hagerstown, Maryland

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Washington County Board of Education'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, 2024. The Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on COVID 19 – Coronavirus State and Local Fiscal Relief Funds and Special Education Cluster (IDEA)

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on COVID 19- Coronavirus State and Local Fiscal Relief Funds and Special Education Cluster (IDEA) for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

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.

Matter Giving Rise to Qualified Opinion on COVID 19 – Coronavirus State and Local Fiscal Relief Fund and Special Education Cluster (IDEA)

As described in the accompanying schedule of findings and questioned costs, the Board did not comply with requirements regarding:

Program	Assistance Listing	Noncompliance	Finding Number
COVID 19 – Coronavirus State and Local Fiscal Relief Funds	21.027	Suspension and Debarment	2024-002
Special Education Cluster (IDEA)	84.027 84.173	Suspension and Debarment	2024-003

Compliance with such requirements is necessary, in our opinion, for the Board to comply with the requirements applicable to that program.

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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-004. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Board's response to the noncompliance findings identified in our compliance audit 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003 to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-004 to be a significant deficiency.

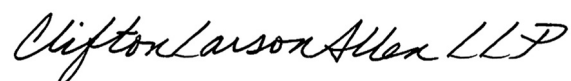
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Board's response to internal control over compliance findings identified in our audit 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 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.

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 Board as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements. We issued our report thereon dated September 27, 2024, 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. 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 11, 2024

**WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures	Total Subrecipient Expenditures
Department of Agriculture Direct Programs				
Passed Through the Maryland State Department of Education				
Local Food for Schools Cooperative Agreement Program	Not Available	10.185	\$ 26,072	-
Total Local Food for Schools Cooperative Agreement Program			26,072	-
Child Nutrition Cluster:				
National School Lunch Program	Not Available	10.555	7,626,793	-
Total National School Lunch Program			7,626,793	-
Fresh Fruit and Vegetable Program	Not Available	10.582	210,956	-
Total Fresh Fruit and Vegetable Program			210,956	-
Total Child Nutrition Cluster			7,837,749	-
Child Nutrition Discretionary Grants Limited Availability	Not Available	10.579	106,547	-
Child Nutrition Discretionary Grants Limited Availability	Not Available	10.579	457,774	-
Total Child Nutrition Discretionary Grants Limited Availability			564,321	-
Child and Adult Care Food Program	Not Available	10.558	641,981	-
Total Child and Adult Care Food Program			641,981	-
Pandemic EBT Food Benefits	Not Available	10.542	3,256	-
Total Pandemic EBT Food Benefits			3,256	-
Total U.S. Department of Agriculture			9,073,379	-
Department of Health and Human Services				
Passed Through the Maryland State Department of Education				
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	F924N	93.354	42,716	-
Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			42,716	-
Every Student Succeeds Act/Preschool Development Grants	231130-02	93.434	13,306	-
Total Every Student Succeeds Act/Preschool Development Grants			13,306	-
Total U.S. Department of Health and Human Services			56,022	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures	Total Subrecipient Expenditures
U.S Department of Education				
Passed Through the Maryland State Department of Education				
Title I Grants to Local Educational Agencies	231100-01	84.010	3,138,655	-
Title I Grants to Local Educational Agencies	241286-01	84.010	6,508,818	-
Title I Grants to Local Educational Agencies	231258-01	84.010	29,036	-
Title I Grants to Local Educational Agencies	241526-01	84.010	42,679	-
Title I Grants to Local Educational Agencies	232015-01	84.010	68,264	-
Title I Grants to Local Educational Agencies	232009-01	84.010	221,275	-
Total Title I			10,008,727	-
Special Education Cluster (IDEA)				
Special Education Grants to States	230632-04	84.027	273	-
Special Education Grants to States	240871-04	84.027	16,000	-
Special Education Grants to States	241602-01	84.027	3,461	-
Special Education Grants to States	230632-01	84.027	1,518,165	-
Special Education Grants to States	240871-01	84.027	3,488,132	-
Special Education Grants to States	220398-02	84.027	3,415	-
Special Education Grants to States	230632-02	84.027	14,780	-
Special Education Grants to States	240871-02	84.027	1,460	-
Special Education Grants to States	221248-01	84.027	714,310	-
Special Education Grants to States	221248-02	84.027	257	-
Special Education Grants to States	221251-01	84.027	25,819	-
Special Education Grants to States	221410-02	84.027	7,183	-
Special Education Grants to States	231072-02	84.027	68,250	-
Special Education Grants to States	241402-02	84.027	15,250	-
Special Education Grants to States	230632-03	84.027	1,871	-
Special Education Grants to States	240871-03	84.027	774	-
Special Education Grants to States	231072-03	84.027	37,332	-
Special Education Grants to States	231072-01	84.027	101,621	-
Special Education Grants to States	241402-01	84.027	28,826	-
Special Education Grants to States	230587-01	84.027	5,617	-
Special Education Grants to States	240834-01	84.027	48,097	-
Special Education Grants to States	Not Available	84.027	191	-
Total Special Education Grants to States			6,101,084	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures	Total Subrecipient Expenditures
Special Education Preschool Grants	220379-01	84.173	\$ 14,780	\$ -
Special Education Preschool Grants	220379-02	84.173	6	-
Special Education Preschool Grants	230647-02	84.173	615	-
Special Education Preschool Grants	240817-01	84.173	28,068	-
Special Education Preschool Grants	230647-01	84.173	79,415	-
Special Education Preschool Grants	230556-01	84.173	317	-
Special Education Preschool Grants	230556-02	84.173	3,756	-
Special Education Preschool Grants	240725-01	84.173	6,893	-
Special Education Preschool Grants	240725-02	84.173	833	-
Total Special Education Preschools Grants			<u>134,683</u>	<u>-</u>
Total Special Education Cluster			6,235,767	-
Career and Technical Education -- Basic Grants to States	230086-01	84.048	18,880	-
Career and Technical Education -- Basic Grants to States	240154-01	84.048	<u>46,129</u>	<u>-</u>
Total Career and Technical Education -- Basic Grants to States			65,009	-
Special Education-Grants for Infants and Families	221735-01	84.181	35,166	-
Special Education-Grants for Infants and Families	230584-01	84.181	20,158	-
Special Education-Grants for Infants and Families	221966-01	84.181	11,073	-
Special Education-Grants for Infants and Families	221735-02	84.181	18,513	-
Special Education-Grants for Infants and Families	240786-01	84.181	<u>104,432</u>	<u>-</u>
Total Special Education-Grants for Infants and Families			189,342	-
Education for Homeless Children and Youth	221766-01	84.196	10,412	-
Education for Homeless Children and Youth	241492-01	84.196	<u>25,453</u>	<u>-</u>
Total Program Education for Homeless Children and Youth			35,865	-
English Language Acquisition State Grants	230433-01	84.365	905	-
English Language Acquisition State Grants	241241-01	84.365	74,252	-
English Language Acquisition State Grants	230433-02	84.365	3,173	-
English Language Acquisition State Grants	241241-02	84.365	<u>13,849</u>	<u>-</u>
Total English Language Acquisition State Grants			92,179	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures	Total Subrecipient Expenditures
Supporting Effective Instruction State Grants	230693-01	84.367	739,505	-
Supporting Effective Instruction State Grants	240348-01	84.367	867,369	-
Total Supporting Effective Instruction State Grants			1,606,874	-
Student Support and Academic Enrichment Program	221522-01	84.424	96,096	-
Student Support and Academic Enrichment Program	231214-01	84.424	253,998	-
Student Support and Academic Enrichment Program	240561-01	84.424	212,640	-
Student Support and Academic Enrichment Program	232074-01	84.424	733,114	-
Total Student Support and Academic Enrichment Program			1,295,848	-
COVID-19 Elementary and Secondary School Emergency Relief Grant	2021115-01	84.425D	1,927,394	-
COVID-19 Elementary and Secondary School Emergency Relief Grant	211935-01	84.425D	19,678,814	-
COVID-19 Elementary and Secondary School Emergency Relief Grant	221895-01	84.425D	131,216	-
COVID-19 Elementary and Secondary School Emergency Relief Grant	221873-03	84.425D	2,294	-
COVID-19 Elementary and Secondary School Emergency Relief Grant	221873-02	84.425D	325,204	-
Total COVID-19 Elementary and Secondary School Emergency Relief Grant			22,064,922	-
COVID 19 ARP ESSER Homeless Children and Youth	221590-01	84.425W	46,803	-
Total COVID 19 ARP ESSER Homeless Children and Youth			46,803	-
Total Education Stabilization Fund			22,111,725	-
Total Department of Education			41,641,336	-
U.S Department of Treasury				
Passed Through the Maryland State Department of Education				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	211891-01	21.027	147,482	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	211859-01	21.027	1,008	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	211895-01	21.027	155,105	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	211851-01	21.027	3,022,118	-
Total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			3,325,713	-
Total Department of Treasury			3,325,713	-
Federal Communications Commission				
Federal Communications Commission Cluster				
Emergency Connectivity Fund Program		32.009	1,354,798	-
Total Program			1,354,798	-
Total Federal Communications Commission			1,354,798	-
Total Expenditures of Federal Awards			\$ 55,451,248	\$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**WASHINGTON COUNTY BOARD OF EDUCATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

NOTE 1 REPORTING ENTITY

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, 2024. 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 for grant expenditures reported in governmental funds and the full accrual basis of accounting for those reported in proprietary funds. The specific accounting methods employed are fully described in Note 1 to the Board's basic financial statements. Expenditures are recognized in accordance with 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 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	\$ 55,451,248
Add: Medical Assistance - ALN 93.778	<u>1,468,821</u>
	<u><u>56,920,069</u></u>
Child Nutrition Cluster U.S. Department of Agriculture / Food Subsidies Revenue Recorded to the Food Services Fund	 8,483,179
Restricted Federal Government Revenues per Combining Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund	 <u>48,436,890</u>
Total Revenue per Financial Statements	<u><u>56,920,069</u></u>

NOTE 3 INDIRECT COST RATE

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

**WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

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

Type of auditors’ report issued on compliance for major programs: See below

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

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster	Auditor’s Opinion
10.555/10.582	Child Nutrition Cluster	Unmodified
21.027	COVID 19 – Coronavirus State and Local Fiscal Recovery Funds	Qualified
84.027/84.173	Special Education Cluster	Qualified
84.425D/84.425W	COVID 19 – Education Stabilization Fund	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$1,663,537

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

**WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section II – Financial Statement Findings

Finding 2024-001: Lack of Journal Entry Review

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

Condition

During the audit, it was observed that there is no formalized journal entry review process in place.

Criteria

The Internal Control Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure that transactions are properly recorded.

Cause

The Board does not have a policy in place over the review and approval of journal entries.

Effect

Without an independent review, there is an increased risk of errors and potential fraudulent activities going undetected.

Recommendation

We recommend management establish a formalized journal entry review process where all entries are reviewed by a person independent of the preparation of the entry before posting. Documentation, including who performed the review and any corrections made should be maintained by management.

Views of Responsible Officials

We will implement a formalized journal entry review process in our accounting software, Tyler Munis, ensuring that all manual journal entries are reviewed and approved by an independent individual before posting.

**WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Findings and Questioned Costs – Major Federal Programs

2024-002

Federal Agency:	U.S. Department of Treasury
Federal Program Name:	Coronavirus State and Local Fiscal Recovery Funds
Assistance Listing Number:	21.027
Federal Award Identification Number and Year:	Not Available
Pass-Through Agency:	Maryland State Department of Education
Pass-Through Number:	211851
Award Period:	3/3/2021 – 12/31/2024
Type of Finding:	Material Weakness in Control over Compliance, Material Noncompliance (Modified Opinion)

Criteria or Specific Requirement:

Compliance: Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

2 CFR 180.300 states that an entity may determine suspension and debarment status by:

- (a) Checking SAM (System for Award Management) Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should comply with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

During our testing, we noted the School Board did not have adequate internal controls designed to ensure vendors were not suspended or debarred.

Questioned Costs:

None noted.

**WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Context:

The School Board could not provide documentation for one out of four vendors regarding ensuring the vendor was not suspended or debarred at the time of contract.

Cause:

The Board's procedures and internal controls over suspension and debarment were not sufficient to ensure that all vendors' suspension and debarment status was verified timely.

Effect:

Failure to verify the suspension and debarment status of vendors may result in the procurement of goods or services from vendors that are suspended or debarred and result in unallowable expenditures charged to the program.

Repeat Finding: No

Recommendation:

We recommend that the Board review its policies and procedures to ensure they include the three options for determining suspension and debarment status listed in 2 CFR 180.300 and that controls are sufficient to ensure that the suspension and debarment status is verified for all vendors prior to entering into covered transactions.

Views of responsible officials:

Management acknowledges the finding. Current procedures mandate suspension and debarment verification prior to entering into contracts or agreements with vendors. However, due to the timing of the policy implementation, there were vendor contracts executed and payments processed after the prior year's finding but before corrective action could be implemented.

**WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Findings and Questioned Costs – Major Federal Programs

2024-003

Federal Agency:	U.S. Department of Treasury
Federal Program Name:	Special Education Cluster
Assistance Listing Number:	84.027 and 84.173
Federal Award Identification Number and Year:	H027A220035
Pass-Through Agency:	Maryland State Department of Education
Pass-Through Number:	231072
Award Period:	10/1/2022 – 9/30/2024
Type of Finding:	Material Weakness in Control over Compliance, Material Noncompliance (Modified Opinion)

Criteria or Specific Requirement:

Compliance: Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

2 CFR 180.300 states that an entity may determine suspension and debarment status by:

- (a) Checking SAM (System for Award Management) Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should comply with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

During our testing, we noted the School Board did not have adequate internal controls designed to ensure vendors were not suspended or debarred.

Questioned Costs:

None noted.

**WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Context:

The School Board could not provide documentation for two out of four vendors regarding ensuring the vendor was not suspended or debarred at the time of contract.

Cause:

The Board's procedures and internal controls over suspension and debarment were not sufficient to ensure that all vendors' suspension and debarment status was verified timely.

Effect:

Failure to verify the suspension and debarment status of vendors may result in the procurement of goods or services from vendors that are suspended or debarred and result in unallowable expenditures charged to the program.

Repeat Finding: The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2023-001.

Recommendation:

We recommend that the Board review its policies and procedures to ensure they include the three options for determining suspension and debarment status listed in 2 CFR 180.300 and that controls are sufficient to ensure that the suspension and debarment status is verified for all vendors prior to entering into covered transactions.

Views of responsible officials:

Management acknowledges the finding. Current procedures mandate suspension and debarment verification prior to entering into contracts or agreements with vendors. However, due to the timing of the policy implementation, there were vendor contracts executed and payments processed after the prior year's finding but before corrective action could be implemented.

**WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2024-004

Federal Agency:	U.S. Department of Education
Federal Program Name:	Education Stabilization Fund
Assistance Listing Number:	84.425
Federal Award Identification Number and Year:	S45U210005
Pass-Through Agency:	Maryland State Department of Education
Pass-Through Number:	211935
Award Period:	3/24/2021 – 9/30/2023
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: The Davis-Bacon Act requires that laborers and mechanics employed by contractors and subcontractors in the performance of federally funded or assisted contracts in excess of \$2,000 for construction, alteration, or repair (including painting and decorating) of public buildings or public works must be paid wages not less than those established by the Secretary of Labor. Adequate monitoring of compliance with these wage requirements is required to ensure that workers are being paid correctly as per 29 CFR 5.5 compliance provisions.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

During our testing, we noted the School Board did not have adequate internal controls designed to ensure vendors were in compliance with applicable Davis-Bacon Wage Rate requirements.

Questioned Costs:

There are no questioned costs related to this finding.

Context:

The School Board did not retain documentation supporting indication of their review of certified payroll records in accordance with monitoring compliance with the Davis-Bacon Act requirements for contracts funded by the Education Stabilization Fund. Additionally, for one out of twenty-two payroll periods tested, the School Board was not able to provide payroll documentation certified by the vendor.

**WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Cause:

The Board's procedures and internal controls over monitoring Davis-Bacon Act compliance were not sufficiently designed or implemented to ensure that wage determinations were verified and that contractors and subcontractors were monitored for compliance.

Effect:

Failure to monitor Davis-Bacon wage requirements may result in noncompliance with federal labor standards and could potentially lead to financial penalties, reputational damage, and a loss of future federal funding.

Repeat Finding: No

Recommendation:

We recommend that the Board enhance its policies and procedures to ensure the effective monitoring of compliance with Davis-Bacon wage requirements. Procedures should include regular verification of wage determinations, monitoring of contractor and subcontractor payrolls, and documentation of compliance efforts.

Views of responsible officials:

Management acknowledges the finding and agrees with the recommendation and will implement corrective action.

**WASHINGTON COUNTY BOARD OF EDUCATION
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2024**

The Washington County Board of Education respectfully submits the following corrective action plan for the year ended June 30, 2024.

Audit period: July 1, 2023 – June 30, 2024

Finding Number:	2024-002
Prior Year Finding:	Yes
Federal Agency:	U.S. Department of Treasury
Federal Program:	Coronavirus State and Local Fiscal Recovery
Assistance Listing:	21.027
Pass-Through Entity:	Maryland State Department of Education
Pass-Through Award Number and Period:	211851 (3/3/2021 – 12/31/2024)

Compliance Requirement:	Suspension and Debarment
Type of Finding:	Material Weakness in Internal Control over Compliance

Recommendation

We recommend that the Board review its policies and procedures to ensure they include the three options for determining suspension and debarment status listed in 2 CFR 180.300 and that controls are sufficient to ensure that the suspension and debarment status is verified for all vendors prior to entering into covered transactions.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding. However, WCPS did adjust our practices during fiscal year 2024 based on guidance from our previous audit firm to add the suspension and debarment affidavit to all new vendor registrations and service contracts.

Action taken in response to finding: Effective immediately, the Purchasing Department will review all requisitions that are going against Fund 02 (Restricted Fund) and ensure that the vendor has been checked for suspension/debarment. New vendors are required to sign an affidavit that they have not been suspended or debarred. This check will ensure that old vendors that were in place prior to the FY 2023 finding have been validated against SAM.GOV or have a signed affidavit to ensure they have not been suspended or debarred. We will also be sending emails to our current vendors to ensure that we have a signed affidavit on file.

Name(s) of the contact person(s) responsible for corrective action: Adam Pelc, Supervisor of Accounting and Scott Bachtell, Supervisor of Purchasing

Planned completion date for corrective action plan: For immediate implementation and ongoing.

Finding Number:	2024-003
Prior Year Finding:	Yes
Federal Agency:	US Department of Education
Federal Program:	Special Education Grants to States
Assistance Listing:	84.027
Pass-Through Entity:	Maryland State Department of Education
Pass-Through Award Number and Period:	231072 (10/1/2022 – 9/30/2024)

Compliance Requirement:	Suspension and Debarment
Type of Finding:	Material Weakness in Internal Control over Compliance

Recommendation

We recommend that the Board review its policies and procedures to ensure they include the three options for determining suspension and debarment status listed in 2 CFR 180.300 and that controls are sufficient to ensure that the suspension and debarment status is verified for all vendors prior to entering into covered transactions.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding. However, WCPS did adjust our practices during fiscal year 2024 based on guidance from our previous audit firm to add the suspension and debarment affidavit to all new vendor registrations and service contracts.

Action taken in response to finding: Effective immediately, the Purchasing Department will review all requisitions that are going against Fund 02 (Restricted Fund) and ensure that the vendor has been checked for suspension/debarment. New vendors are required to sign an affidavit that they have not been suspended or debarred. This check will ensure that old vendors that were in place prior to the FY 2023 finding have been validated against SAM.GOV or have a signed affidavit to ensure they have not been suspended or debarred. We will also be sending emails to our current vendors to ensure that we have a signed affidavit on file.

Name(s) of the contact person(s) responsible for corrective action: Adam Pelc, Supervisor of Accounting and Scott Bachtell, Supervisor of Purchasing

Planned completion date for corrective action plan: For immediate implementation and ongoing.

Finding Number: 2024-004
Prior Year Finding: No
Federal Agency: US Department of Education
Federal Program: Education Stabilization Fund
Assistance Listing: 84.425
Pass-Through Entity: Maryland State Department of Education
Pass-Through Award Number and Period: 211935 (3/24/2021 – 9/30/2023)

Compliance Requirement: Davis-Bacon Act
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation

We recommend that the Board enhance its policies and procedures to ensure the effective monitoring of compliance with Davis-Bacon wage requirements. Procedures should include regular verification of wage determinations, monitoring of contractor and subcontractor payrolls, and documentation of compliance efforts.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Effective immediately, we will start recording on a spreadsheet the Contract number and weeks covered for certified payrolls we receive that falls under the Davis-Bacon Act. This spreadsheet will have an approval column and date column to document our monitoring procedures for tracking and audit purposes.

Name(s) of the contact person(s) responsible for corrective action: Adam Pelc, Supervisor of Accounting and Rob Rollins, Director of Facilities

Planned completion date for corrective action plan: For immediate implementation and ongoing.

