

SINGLE AUDIT REPORT



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the WASHINGTON COUNTY BOARD OF EDUCATION, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the WASHINGTON COUNTY BOARD OF EDUCATION's basic financial statements and have issued our report thereon dated September 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the WASHINGTON COUNTY BOARD OF EDUCATION's internal control over financial reporting (internal control) 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 WASHINGTON COUNTY BOARD OF EDUCATION's internal control. Accordingly, we do not express an opinion on the effectiveness of the WASHINGTON COUNTY BOARD OF EDUCATION's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as Finding 2019-001 that we consider to be a significant deficiency.



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the WASHINGTON COUNTY BOARD OF EDUCATION'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*.

THE WASHINGTON COUNTY BOARD OF EDUCATION's Response to the Finding

The WASHINGTON COUNTY BOARD OF EDUCATION's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The WASHINGTON COUNTY BOARD OF EDUCATION's response was not subjected to the 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.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania
September 25, 2019



Zelenkofske Axlerod LLC

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

We have audited the WASHINGTON COUNTY BOARD OF EDUCATION's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have direct and material effect on each of the WASHINGTON COUNTY BOARD OF EDUCATION's major federal programs for the year ended June 30, 2019. The WASHINGTON COUNTY BOARD OF EDUCATION'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 the 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 WASHINGTON COUNTY BOARD OF EDUCATION'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 WASHINGTON COUNTY BOARD OF EDUCATION'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 WASHINGTON COUNTY BOARD OF EDUCATION's compliance.

Opinion on each Major Federal Program

In our opinion, the WASHINGTON COUNTY BOARD OF EDUCATION 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, 2019.



Zelenkofske Axelrod LLC

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Report on Internal Control Over Compliance

Management of the WASHINGTON COUNTY BOARD OF EDUCATION is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the WASHINGTON COUNTY BOARD OF EDUCATION's internal control 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 control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the WASHINGTON COUNTY BOARD OF EDUCATION's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Zelenkofske Axelrod LLC

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania
September 25, 2019

WASHINGTON COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2019

PROGRAM	GRANT NUMBER	FEDERAL CATALOGUE NUMBER	BEGINNING DATE	ENDING DATE	TOTAL GRANT AMOUNT	2019 FISCAL YEAR REVENUE RECOGNIZED & EXPENDITURES	SUBRECIPIENT EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE							
PASSED THROUGH THE MARYLAND STATE DEPARTMENT OF EDUCATION							
CHILD NUTRITION CLUSTER:							
SCHOOL BREAKFAST	N/A	10.553	7/1/2018	6/30/2019	\$ 2,352,533	\$ 2,352,533	\$ -
TOTAL PROGRAM					2,352,533	2,352,533	-
USDA COMMODITIES USED	N/A	10.555	7/1/2018	6/30/2019	773,364	773,364	-
NATIONAL SCHOOL LUNCH	N/A	10.555	7/1/2018	6/30/2019	5,117,123	5,117,123	-
AFTER SCHOOL PROGRAM SNACKS	N/A	10.555	7/1/2018	6/30/2019	5,165	5,165	-
HEALTHY HUNGER FREE KIDS ACT ADDITIONAL SUBSIDY	N/A	10.555	7/1/2018	6/30/2019	125,569	125,569	-
TOTAL PROGRAM					6,021,221	6,021,221	-
SUMMER FOOD SERVICE PROGRAM	N/A	10.559	7/1/2018	6/30/2019	288,830	288,830	-
TOTAL PROGRAM					288,830	288,830	-
TOTAL CHILD NUTRITION CLUSTER					8,662,584	8,662,584	-
AFTER SCHOOL SUPPERS	N/A	10.558	7/1/2018	6/30/2019	453,890	453,890	-
CASH IN LIEU OF COMMODITIES	N/A	10.558	7/1/2018	6/30/2019	32,225	32,225	-
TOTAL PROGRAM					486,115	486,115	-
CHLD NUTR DISCR GRNT-EAE DISH MACH	181395	10.579	7/1/2017	9/30/2019	19,909	19,909	-
CHLD NUTR DISCR GRNT-SHHS OVEN	191454-01	10.579	7/1/2018	9/30/2020	28,000	24,508	-
TOTAL PROGRAM					47,909	44,417	-
FRESH FRUIT AND VEGETABLE PROGRAM	N/A	10.582	7/1/2018	6/30/2019	3,753	3,753	-
TOTAL PROGRAM					3,753	3,753	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE					9,200,361	9,196,869	-
U.S. DEPARTMENT OF LABOR							
PASSED THROUGH THE WESTERN MARYLAND CONSORTIUM							
WIOA CLUSTER:							
WMC - STUDENT INTERVENTN PROG FY18	N/A	17.259	09/05/2017	08/30/2018	19,441	19,441	-
WMC - STUDENT INTERVENTN PROG FY19	N/A	17.259	09/04/2018	08/30/2019	20,503	-	-
TOTAL WIOA CLUSTER					39,944	19,441	-
TOTAL U.S. DEPARTMENT OF LABOR					39,944	19,441	-
APPALACHIAN REGIONAL COMMISSION							
DIRECT FEDERAL AWARD							
ARC - CREATING COMP THINKERS	MD-19488	23.001	03/01/2019	02/28/2020	160,000	-	-
TOTAL PROGRAM					160,000	-	-
U.S. DEPARTMENT OF EDUCATION							
DIRECT FEDERAL AWARD							
IMPACT AID PL 103-382	30-MD-0701	84.041	07/01/2018	06/30/2019	34,983	34,983	-
TOTAL PROGRAM					34,983	34,983	-

See accompanying notes to the schedule of expenditures of federal awards.

WASHINGTON COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2019

PROGRAM	GRANT NUMBER	FEDERAL CATALOGUE NUMBER	BEGINNING DATE	ENDING DATE	TOTAL GRANT AMOUNT	2019 FISCAL YEAR REVENUE RECOGNIZED & EXPENDITURES	SUBRECIPIENT EXPENDITURES
PASSED THROUGH THE MARYLAND STATE DEPARTMENT OF EDUCATION							
TITLE I - PART A FY18	180653-01	84.010	07/01/2017	06/30/2019	6,517,194	1,567,223	-
TITLE I - NEGLECTED & DELINQUENT FY18	181360-01	84.010	07/01/2017	12/31/2018	149,587	65,661	-
TITLE I - PART A FY19	190618-01	84.010	07/01/2018	09/30/2020	6,588,295	5,074,633	-
TITLE I - NEGLECTED & DELINQUENT FY19	191306-01	84.010	07/01/2018	12/31/2019	154,631	91,499	-
TOTAL PROGRAM					13,409,707	6,799,016	-
SPECIAL EDUCATION CLUSTER (IDEA):							
FAMILY PARTNERSHIPS FY18	180335-06	84.027	07/01/2017	09/30/2018	16,000	1,786	-
FAMILY PARTNERSHIPS FY19	190289-04	84.027	07/01/2018	09/30/2019	16,000	16,000	-
INFANT/TODDLER-PART B FY18	180224-01	84.027	07/01/2017	09/30/2018	69,351	13,379	-
INFANT/TODDLER-PART B FY19	190142-01	84.027	07/01/2018	09/30/2019	69,477	55,469	-
LOCAL PRIORITY FLEXIBILITY FY18	180335-04	84.027	07/01/2017	09/30/2018	69,644	26,565	-
PASSTHROUGH - PPPSS FY18	180335-02	84.027	07/01/2017	09/30/2019	10,462	3,278	-
PASSTHROUGH - PPPSS FY19	190289-02	84.027	07/01/2018	09/30/2020	10,088	7,133	-
PASSTHROUGH FY18	180335-01	84.027	07/01/2017	09/30/2019	4,732,919	1,008,063	-
PASSTHROUGH FY19	190289-01	84.027	07/01/2018	09/30/2020	4,715,273	3,659,512	-
PROFESSIONAL LRNG INST FY18	180335-05	84.027	07/01/2017	09/30/2018	500	-	-
SECONDARY TRANSITION FY18	180335-07	84.027	07/01/2017	09/30/2018	35,365	13,852	-
SECONDARY TRANSITION FY19	190289-06	84.027	07/01/2018	09/30/2020	83,285	31,737	-
ST DISCR - SPEC ED ADVISORY CMT	190289-03	84.027	07/01/2018	09/30/2019	2,500	2,500	-
ST DISCR - ACCESS EQUITY PROG	190289-07	84.027	07/01/2018	09/30/2020	67,162	10,773	-
ST DISCR - EARLY CHILDHOOD LIG	190289-05	84.027	07/01/2018	09/30/2020	72,251	8,754	-
ST DISCR - SPEC ED ADVISORY CMTE FY18	180335-03	84.027	07/01/2017	09/30/2018	2,500	1,501	-
INSTR&ASSESS STUD W/COG DIS	181670	84-027	06/01/2018	05/31/2019	2,250	1,630	-
SECONDARY TRANSITION LIG	181499-01	84-027A	02/01/2018	09/30/2019	28,212	28,212	-
ST DISCR - ACCESS, EQUITY-LIP	181563-01	84.027A	04/01/2018	09/30/2019	43,651	35,502	-
ST DISCR - EARLY CHILDHOOD LIG	181278-01	84.027A	12/01/2017	09/30/2019	60,000	9,723	-
TOTAL PROGRAM					10,106,890	4,935,369	-
INF/TDLR-PART B(619) EXT OPTION'18	180179-02	84.173	07/01/2016	09/30/2018	5,650	3,843	-
INF/TDLR-PART B(619) EXT OPTION'19	190151-02	84.173	07/01/2018	09/30/2019	5,661	-	-
INFANT/TDLR-PT B(619) PRESCH FY18	180179-01	84.173	07/01/2017	09/30/2018	7,000	-	-
INFANT/TDLR-PT B(619) PRESCH FY19	190151-01	84.173	07/01/2018	09/30/2019	7,000	5,312	-
PRESCHOOL PASSTHROUGH FY19	190316-01	84.173	07/01/2018	09/30/2020	85,489	81,917	-
PRESCHOOL PASSTHROUGH PPPSS F	190316-02	84.173	07/01/2018	09/30/2020	498	158	-
PRESCHOOL PASSTHROUGH PPPSS FY18	180282-02	84.173	07/01/2017	09/30/2019	751	80	-
PRESCHOOL PASSTHROUGH FY18	180282-01	84.173A	07/01/2017	09/30/2019	81,307	7,903	-
TOTAL PROGRAM					193,356	99,213	-
TOTAL SPECIAL EDUCATION CLUSTER					10,300,246	5,034,582	-
CTE RESERVE FUND GRANT FY18	180869-01	84.048	07/01/2017	06/30/2018	30,000	-	-
IT NETWORKING ACAD PD GRANT	191619-01	84.048	04/23/2019	06/30/2019	1,914	1,914	-
PERKINS - TITLE I FY18	180773-01	84.048	07/01/2017	06/30/2018	240,700	123,577	-
PERKINS - TITLE I FY19	190656-01	84.048	07/01/2018	06/30/2019	276,393	276,393	-
TOTAL PROGRAM					549,007	401,884	-
NATIONAL VOCATIONAL EDUCATION RESEARCH - APPRENTICESHIP MARYLAND PROGRAM (AMP) GRANT	191441	84.051E	01/14/2019	06/30/2019	12,750	12,399	-
TOTAL PROGRAM					12,750	12,399	-
INFANT/TODDLER - PART C FY18	180181-01	84.181	07/01/2017	09/30/2018	153,779	11,752	-
INFANT/TODDLER - PART C FY19	190172-01	84.181	07/01/2018	09/30/2019	156,609	150,134	-
TOTAL PROGRAM					310,388	161,886	-

See accompanying notes to the schedule of expenditures of federal awards.

WASHINGTON COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2019

PROGRAM	GRANT NUMBER	FEDERAL CATALOGUE NUMBER	BEGINNING DATE	ENDING DATE	TOTAL GRANT AMOUNT	2019 FISCAL YEAR REVENUE RECOGNIZED & EXPENDITURES	SUBRECIPIENT EXPENDITURES
EDUCATION FOR HOMELESS FY18	181374-01	84.196A	07/01/2017	12/31/2018	59,393	40,037	-
EDUCATION FOR HOMELESS FY19	191471-01	84.196A	07/01/2018	09/30/2019	59,393	4,534	-
TOTAL PROGRAM					118,786	44,571	-
TITLE III - ENGL LANG ACQ-IMMIGR	190313-02	84.365A	07/01/2018	09/30/2020	19,609	-	-
TITLE III - ENGL LANG ACQUISITION	190313-01	84.365A	07/01/2018	09/30/2020	57,340	4,683	-
TITLE III - ENGL LANG ACQUISITION-LEP	180408-01	84.365A	07/01/2017	09/30/2019	56,213	56,213	-
TITLE III - SUMMER COMPETITIVE GRANT	191642-01	84.365A	05/10/2019	09/30/2019	2,830	-	-
TITLE III - ENGL LANG ACQ-IMMIGRANTS	170664-02	84.365A	07/01/2016	09/30/2018	5,115	-	-
TITLE III - ENGL LANG ACQ-IMMIGRANTS	180408-02	84.365A	07/01/2017	09/30/2019	5,326	4,960	-
TITLE III - ENGL LANG ACQUISITION-LEP	170664-01	84.365A	07/01/2016	09/30/2018	58,789	-	-
TOTAL PROGRAM					205,222	65,856	-
TITLE II - A ADDITIONAL FUNDS	190716	84.367	07/01/2018	09/30/2018	22,030	22,030	-
TITLE II - PART A FY17	171223	84.367	07/01/2016	06/30/2018	745,391	108	-
TITLE IIA - SUMMER SYMPOSIA	181822	84.367	05/01/2018	10/31/2018	7,088	4,334	-
TITLE II - PART A FY18	181245	84.367	07/01/2017	06/30/2019	814,091	339,519	-
TITLE II - PART A FY19	191366	84.367	07/01/2018	06/30/2020	834,941	324,970	-
TOTAL PROGRAM					2,423,541	690,961	-
STRIVING RDR COMP LIT	191434	84.371C	09/01/2018	06/30/2019	1,128	1,040	-
STRIVING READERS LITERACY GRANT '18	181762-01	84.371C	10/01/2017	09/30/2019	700,000	656,056	-
STRIVING READERS LITERACY YR2	191074-01	84.371C	10/01/2018	09/30/2019	650,000	60,238	-
STRIVING READERS LITERACY - PD	191038-01	84.371C	09/01/2018	10/31/2018	2,625	2,625	-
TOTAL PROGRAM					1,353,753	719,959	-
SLDS PEER COLLABORATIVE TRAINING	190755-01	84.372A	07/01/2018	06/30/2019	2,310	518	-
OPEN EDUCATIONAL RESOURCE GRANT	181459-01	84.372	07/01/2017	06/30/2018	2,628	-	-
TOTAL PROGRAM					4,938	518	-
PRESCHOOL EXPANSION-FEDERAL	180498-01	84.419B	07/01/2017	06/30/2018	734,400	16,453	-
PRESCHOOL EXPANSION-FEDERAL	190578-01	84.419B	07/01/2018	08/31/2019	954,720	909,814	-
TOTAL PROGRAM					1,689,120	926,267	-
WORKED BASED LEARNING COLLABORATIVE	190898	84.421B	08/06/2018	06/30/2019	12,500	10,530	-
TOTAL PROGRAM					12,500	10,530	-
TITLE IV - A FY19	191300	84.424A	07/01/2018	06/30/2020	471,686	136,445	-
TITLE IV - PART A FY18	181110	84.424A	07/01/2017	06/30/2019	176,599	127,627	-
TOTAL PROGRAM					648,285	264,072	-
TOTAL U.S. DEPARTMENT OF EDUCATION					31,073,226	15,167,484	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
PASSED THROUGH THE MARYLAND STATE DEPARTMENT OF EDUCATION							
SEXUAL HARRASSMENT/ASSLT PREV	191203-01	93.136	10/01/2018	01/31/2019	14,000	13,065	-
TOTAL PROGRAM					14,000	13,065	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					14,000	13,065	-
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ 40,487,531	\$ 24,396,859	\$ -

* Denotes Program Tested as Major

See accompanying notes to the schedule of expenditures of federal awards.

WASHINGTON COUNTY BOARD OF EDUCATION
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2019

NOTE 1: REPORTING ENTITY

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

NOTE 2: BASIS OF ACCOUNTING

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

The School System's indirect cost rate is approved annually by the Maryland State Department of Education. For the year ended June 30, 2019, the indirect cost rate was 3.88%.

NOTE 3: ACCRUED AND UNEARNED REIMBURSEMENT

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

NOTE 4: RISK-BASED AUDIT APPROACH

The 2019 threshold for determining Type A and Type B programs is \$750,000.

The following high-risk Type B Program was audited as major:

<u>CFDA</u>	<u>Program</u>
84.367	Title II

The following low-risk Type A Programs were not audited as major:

<u>CFDA</u>	<u>Program</u>
10.553/10.555/10.559	Child Nutrition Cluster
84.027/84.173	Special Education Cluster

The amount expended under programs audited as major federal programs for the year ended June 30, 2019, totaled \$8,416,244 or 34.50% of total federal awards expended.

WASHINGTON COUNTY BOARD OF EDUCATION
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

NOTE 4: CLUSTER PROGRAMS

The following CFDAs have been deemed a cluster program by the Office of Management and Budget, and therefore are treated as one program in determining major programs to be audited:

Child Nutrition Cluster		Special Education Cluster (IDEA)	
CFDA #	Expenditures	CFDA #	Expenditures
10.553	\$ 2,352,533	84.027	\$ 4,935,369
10.555	6,021,221	84.173	99,213
10.559	288,830		
Total	\$ 8,662,584	Total	\$ 5,034,582

NOTE 5: PROGRAM EXCLUSIONS

Medical assistance received under CFDA #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	\$ 24,396,859
Add:	
Medical Assistance - CFDA #93.778	1,942,531
Less:	
U.S. Department of Agriculture / Food Service Subsidies	(9,152,452)
Impact Aid - CFDA #84.041	(34,983)
Restricted Federal Government Revenues per Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	\$ 17,151,955

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Section I - Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I
84.367	Title II
84.419B	Preschool Expansion

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS

<u>Finding 2019-001</u>	<u>Accounting for the Net Pension Liability and Related Deferred Outflows/Inflows of Resources</u>
Criteria:	The accounts of the School System should include all significant transactions in the period of benefit.
Condition:	During the audit, certain audit adjustments were required to adjust beginning net position, the net pension liability, and related deferred outflows/inflows of resources for the Governmental Activities and the Business-Type Activities/Food Service Fund.
Cause:	The balances of the net pension liability and the related deferred outflows/inflows of resources were not allocated properly between the Governmental Activities and the Business-Type Activities/Food Service Fund. In addition, the School System did not record its deferred outflows/inflows of resources for its change in proportion.
Effect:	The financial records did not reflect the correct financial activity of a period.
Questioned Costs:	None.
Recommendation:	The School System should ensure that internal control procedures over financial reporting are sufficient to identify and record all material adjustments.
Views of Responsible Officials:	The School System is in the process of reviewing the internal control procedures over financial reporting in the areas where adjustments were noted and will revise them as necessary to ensure that the internal control procedures over financial reporting are sufficient to identify and record all adjustments.

WASHINGTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings and questioned costs.

WASHINGTON COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

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

No financial statement or federal award findings and questioned costs were reported for fiscal year ended June 30, 2018.