

**BOARD OF EDUCATION OF
MONTGOMERY COUNTY, MARYLAND**

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

For the Year Ended June 30, 2023

BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND

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

JUNE 30, 2023

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

Board of Education
of Montgomery County, Maryland
Rockville, Maryland

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Board of Education of Montgomery County, Maryland operating as Montgomery County Public Schools (the Board), a component unit of Montgomery 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Board, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note I L. to the financial statements, effective July 1, 2022, the Board adopted new accounting guidance for subscription-based information technology arrangements. The guidance requires the recognition of a subscription asset and a corresponding subscription liability for all arrangements with terms greater than twelve months. Our opinion is not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for one year beyond the date that the financial statements are available for issue, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal controls–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Net Pension Liability, Schedule of Pension Contributions, Schedule of Pension Plan Investment Returns, Schedule of the Board Proportionate Share of the Net Pension Liability (Maryland State Retirement and Pension System), Schedule of the Board Contributions (Maryland State Retirement and Pension System), Schedule of Changes in Net OPEB Plan Liability and Related Ratios, Schedule of Net OPEB Plan Liability, Schedule of Employer OPEB Plan Contributions, and Schedule of OPEB Plan Investment Returns be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board’s basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the supplementary information for the governmental funds, non-major enterprise funds, and fiduciary funds (collectively, supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.



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The accompanying supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical selections but does not include the financial statements and our independent public accountant's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2023 on our consideration of the Board's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal controls over financial reporting and compliance.

Owings Mills, Maryland
September 27, 2023



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

Board of Education
of Montgomery County, Maryland
Rockville, Maryland

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of Montgomery County, Maryland (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, and have issued our report thereon dated September 27, 2023. The Board's financial statements include the operations of the MCPS Educational Foundation, Inc. (Foundation), a discretely presented component unit. Our report, described below, did not include the operations of the Foundation because the Foundation (a component unit) engaged its own separate audit in accordance with *Government Auditing Standards*.

Report on Internal Controls over Financial Reporting

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

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



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Our consideration of internal controls was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal controls or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Owings Mills, Maryland
September 27, 2023

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

Board of Education
of Montgomery County, Maryland
Rockville, Maryland

Opinion on Each Major Federal Program

We have audited the Board of Education of Montgomery County, Maryland's, operating as Montgomery County Public Schools (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 auditor's 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 (*Government Auditing Standards*); 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 Auditor's 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 controls over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Board's federal programs.

Auditor's 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 controls. 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 controls 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 controls 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 controls 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 controls over compliance that we identified during the audit.



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Report on Internal Controls Over Compliance

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

Our consideration of internal controls over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal controls over compliance that might be material weaknesses or significant deficiencies in internal controls over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal controls 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 controls over compliance. Accordingly, no such opinion is expressed.

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

Owings Mills, Maryland
December 21, 2023

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BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

Federal Grantor/Pass-through/Program	Federal Assistance Listing Number	Pass-through Grantor Number	MCPS Project Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture					
Distributed through Maryland State Department of Education:					
<i>Child Nutrition Cluster:</i>					
School Breakfast Program	10.553	food1	food1	\$ -	\$ 10,104,102
Total School Breakfast Program				-	10,104,102
National School Lunch Program	10.555	food2	food2		32,089,060
Food Distribution	10.555	food8	food8		7,250,081
National School Lunch Program - EBT Admin - EOC	10.555	food9	9108	-	5,188,711
Total National School Lunch Program				-	44,527,852
Summer Food Service Program for Children	10.559	food3	food3	-	1,926,363
Total Child Nutrition Cluster				-	56,558,317
At Risk Snack Program	10.558	food6	food6	-	1,280,318
Child and Adult Care Food Program	10.558	food5	food5	-	1,483,636
Total Child & Adult Care Food Program				-	2,763,954
Team Nutrition Grant	10.574		9101		2,014
Child Nutrition Discretionary Grants Limited Availability	10.579		9106		38,714
Fresh Fruit and Vegetable Program	10.582	food2	food2	-	426,319
Total U.S. Department of Agriculture				-	59,789,318
U.S. Department of the Treasury					
Distributed through Maryland State Department of Education:					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	211794-01	257	-	324,720
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	211846-01	265	-	7,232,986
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	211863-01	259	-	1,781,853
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	211912-01	267	-	231,004
Total Coronavirus Relief Fund				-	9,570,563

See accompanying notes to Schedule.

BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2023**

Federal Grantor/Pass-through/Program	Assistance Listing Number	Pass-through Grantor Number	MCPS Project Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Education					
Distributed through Maryland State Department of Education:					
<i>Special Education Cluster (IDEA)</i>					
Special Education Grants to States	84.027	210453-01	101	-	1,308,139
Special Education Grants to States	84.027	211005-01	108	-	106,160
Special Education Grants to States	84.027	211005-02	109	-	198,264
Special Education Grants to States	84.027	211005-03	110	-	169,863
Special Education Grants to States	84.027	220394-01	201	-	2,124,913
Special Education Grants to States	84.027	220394-03	226	-	2,907,307
Special Education Grants to States	84.027	220394-04	204	-	556
Special Education Grants to States	84.027	220394-05	205	-	16,021
Special Education Grants to States	84.027	221168-01	208	-	50,537
Special Education Grants to States	84.027	221168-02	209	-	64,729
Special Education Grants to States	84.027	221168-03	210	-	160,973
Special Education Grants to States	84.027	221930-01	329	-	566,467
Special Education Grants to States	84.027	230595-01	301	-	26,894,050
Special Education Grants to States	84.027	230595-02	302	-	354,630
Special Education Grants to States	84.027	230595-03	306	-	217,986
Special Education Grants to States	84.027	230595-04	304	-	2,317
Special Education Grants to States	84.027	230595-05	305	-	13,239
Special Education Grants to States	84.027	230595-06	307	-	99,418
Special Education Grants to States	84.027	231093-01	308	-	11,147
Special Education Grants to States	84.027	231093-03	310	-	8,058
COVID-19-Special Education Grants to States	84.027	221201-01	260	-	6,639,117
COVID-19-Special Education Grants to States	84.027	221201-02	261	-	140,307
COVID-19-Special Education Grants to States	84.027	221201-03	262	-	1,131,818
Distributed through Montgomery County, Maryland:					
Special Education Grants to States	84.027	230648-01	314	-	25,314
Special Education-Grants for Infants and Families	84.181	230648-01	343	-	11,995
Total Special Education Grants to States				-	43,223,325

See accompanying notes to Schedule.

BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2023**

Federal Grantor/Pass-through/Program	Assistance Listing Number	Pass-through Grantor Number	MCPS Project Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Education(Continued)					
Distributed through Maryland State Department of Education:					
Special Education Preschool Grants	84.173	210404-01	111	-	47,109
Special Education Preschool Grants	84.173	211462-01	270	-	28,135
Special Education Preschool Grants	84.173	220362-01	211	-	381,242
Special Education Preschool Grants	84.173	220362-02	212	-	4,620
Special Education Preschool Grants	84.173	221182-01	268	-	242,377
Special Education Preschool Grants	84.173	221199-01	263	-	538,961
Special Education Preschool Grants	84.173	221199-02	264	-	8,702
Special Education Preschool Grants	84.173	230604-01	311	-	335,325
Special Education Preschool Grants	84.173	230604-02	312	-	6,335
Special Education Preschool Grants	84.173	230604-03	349	-	12,242
Total Special Education Preschool Grants				-	1,605,048
Total Special Education Cluster (IDEA)				-	44,828,373
Distributed through Maryland State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	211084-01	119	-	4,794,972
Title I Grants to Local Educational Agencies	84.010	221505-01	219	-	865,779
Title I Grants to Local Educational Agencies	84.010	221893-01	216	-	13,474
Title I Grants to Local Educational Agencies	84.010	231246-01	319	71,370	33,694,489
Title I Grants to Local Educational Agencies	84.010	231257-01	316	-	6,138
Distributed through Prince George's County Public Schools:					
Title I Grants to Local Educational Agencies	84.010	F3150359	359	-	70,021
Total Title I Grants to Local Educational Agencies				71,370	39,444,873
Distributed through Maryland State Department of Education:					
Career and Technical Education -- Basic Grants to States	84.048	230080-01	332	-	726,515
Career and Technical Education -- Basic Grants to States	84.048	230081-01	333	-	35,210
Career and Technical Education -- Basic Grants to States	84.048	230872-01	317	-	860,412
Career and Technical Education -- Basic Grants to States	84.048	230873-01	348	-	52,815
Total Career and Technical Education -- Basic Grants to States				-	1,674,952

See accompanying notes to Schedule.

BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2023**

Federal Grantor/Pass-through/Program	Assistance Listing Number	Pass-through Grantor Number	MCPS Project Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Education (continued)					
Vocational Rehabilitation- Pre Employment Transition Services Project	84.126	221910-01	331	-	162,710
Total Vocational Rehabilitation- Pre Employment Transition Services Project				-	162,710
Education for Homeless Children and Youth	84.196	221565-01	269	-	101,453
Total Education for Homeless Children and Youth				-	101,453
Maryland Charter Schools Program	84.282	231084-01	357	-	2,072
Total Maryland Charter Schools Program				-	2,072
Twenty-First Century Community Learning Centers	84.287	231045-01	355	-	389,543
Total Twenty-First Century Community Learning Centers				-	389,543
English Language Acquisition State Grants	84.365	210469-01	121	-	588,659
English Language Acquisition State Grants	84.365	220667-01	221	-	357,617
English Language Acquisition State Grants	84.365	221849-01	278	-	198,818
English Language Acquisition State Grants	84.365	230432-01	321	-	3,083,923
Total English Language Acquisition State Grants				-	4,229,017
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	210791-01	118	-	
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	211746-01	242	-	138,676
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	221058-01	218	-	673,927
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	230704-01	318	-	3,195,931
Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	4,008,534
Student Support and Academic Enrichment Program	84.424	201575-01	35	5,184	260,712
Student Support and Academic Enrichment Program	84.424	211377-01	135	35,791	1,249,117
Student Support and Academic Enrichment Program	84.424	221544-01	203	104,411	1,210,457
Student Support and Academic Enrichment Program	84.424	231221-01	303	-	623,986
Total Student Support and Academic Enrichment Program				145,386	3,344,272

See accompanying notes to Schedule.

BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2023**

Federal Grantor/Pass-through/Program	Assistance Listing Number	Pass-through Grantor Number	MCPS Project Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Education (continued)					
Education Stabilization Fund					
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	201793-01	81	-	735,945
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	202017-01	146	-	109,730
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	202129-01	179	-	432,819
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	202135-01	177	-	40,525,782
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	211940-01	247	-	54,473,136
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	221431-01	249	-	68,561
COVID-19 - American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund	84.425W	221581-01	256	-	264,588
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	221875-02	337	-	141,732
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	221875-03	338	-	451,450
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	221875-04	339	-	312,345
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	221875-05	340	-	152,313
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	221875-07	342	-	233,070
Total Education Stabilization Fund				-	97,901,471
Direct Payments:					
Impact Aid	84.041	pl874	pl874	-	223,851
Indian Education Grants to Local Educational Agencies	84.060	S060A200538	320	-	22,338
Total Indian Education Grants to Local Educational Agencies				-	22,338
Total U.S. Department of Education				216,756	196,333,459
U.S. Department of Health and Human Services					
Direct Payments:					
<i>Research and Development Cluster</i>					
Child Health and Human Development Extramural Research	93.865	HHSN269201300124P	200	-	200,378
Child Health and Human Development Extramural Research	93.865	HHSN269201300124P	300	-	36,385
Total Child Health and Human Development Extramural Research				-	236,763
Total Research and Development Cluster				-	236,763
Distributed through Maryland State Department of Education:					
Every Student Succeeds Act/Preschool Development Grants	93.434	221801-01	336	-	12,500
					12,500

See accompanying notes to Schedule.

BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2023**

Federal Grantor/Pass-through/Program	Assistance Listing Number	Pass-through Grantor Number	MCPS Project Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services(continued)					
Distributed through Montgomery County, Maryland:					
Head Start	93.600	03CH011745-02-01	322	-	4,338,815
Head Start	93.600	03CH011745-02-01	323	-	45,387
Total Head Start				-	4,384,202
Total U.S. Department of Health and Human Services				-	4,633,465
U.S. Department of Justice					
Distributed through RAND Corporation:					
National Institute of Justice Research, Evaluation and Development Project Grants	16.560	19158972	8972	-	3,870
Total U.S. Department of Justice				-	3,870
U.S. Department of Labor					
Distributed through Division of Workforce Development and Adult Learning:					
Apprenticeship USA Grants	17.285	F2150258	258	-	21,919
Total U.S. Department of Labor				-	21,919
U.S. Department of Homeland Security					
Distributed through Maryland Department of Emergency Management:					
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PW#386		-	2,518,311
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PW#402		-	63,210
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PW#392		-	806,491
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PW#437		-	121,715
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PW#509		-	1,363,908
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PW#559		-	408,475
Total U.S. Department of Homeland Security				-	5,282,110
Grand Total Expenditures of Federal Awards				\$ 216,756	\$ 275,634,704

See accompanying notes to Schedule.

BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

All Federal grant operations of the Board are included in the scope of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Single Audit). The Single Audit was performed in accordance with the provision of the OMB Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the major grant programs noted below. The programs on the Schedule of Expenditures of Federal Awards represent all Federal award programs with fiscal year 2023, cash or non-cash expenditure activities. For single audit testing, we tested to ensure coverage of at least 40% of Federally granted funds. Actual coverage was 57%.

Expenditures reported on the Schedule of Expenditures of Federal Awards are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

<u>Major Programs</u>	<u>Federal Assistance Listing</u>	<u>Federal Expenditures</u>
Child and Adult Care Food Program	10.558	\$ 2,763,954
COVID-19-State and Local Fiscal Recovery Funds	21.027	9,570,563
Special Education Cluster	84.027, 84.173	44,828,373
Student Support and Academic Enrichment Program	84.424	3,344,272
	84.425C, 84.425D, 84.425U,	
COVID-19-Education Stabilization Fund	84.425W	97,901,471
Total Major Programs		\$ 158,408,633

2. BASIS OF PRESENTATION

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

The federal share of the enterprise funds is commingled with state and local funding, as well as revenues provided from user charges. Expenditures are assumed to be paid first from the federal revenues for purposes of the Schedule. Commodities received from the U.S. Department of Agriculture are valued at fair market value and recorded as expenditures when used. During the fiscal year ended June 30, 2023, the fair market value of commodities consumed was \$7,250,081 and are included in assistance listing number 10.555 in the accompanying schedule.

BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

3. RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

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

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

General Fund Federal Expenditures	\$ 257,377,277
Capital Fund Federal Expenditures	623,758
Enterprise Fund Federal Expenditures	<u>58,546,586</u>
Total per Financial Statements	316,547,621

Add: Federal funds classified as reduction of expenditures:

COVID-19 Disaster Grants	5,282,109
21st Century Community Learning Center (Revenue Reclassification)	1,161
Child and Adult Care Food Program (Revenue Reclassification)	1,242,732

Less: Funds not included on the schedule:

Medical Assistance	(4,845,936)
ERATE	(623,758)
Medicare Part D	(41,969,225)

Total expenditures per Schedule of Expenditures of Federal Awards \$ 275,634,704

BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2023

Section I- Summary of Independent Public Accountants' Results

Financial Statements

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

Federal Awards

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

Identification of Major Programs:

Major Programs	Federal Assistance Listing	Federal Expenditures
Child and Adult Care Food Program	10.558	\$ 2,763,954
COVID-19-State and Local Fiscal Recovery Funds	21.027	9,570,563
Special Education Cluster	84.027, 84.173	44,828,373
Student Support and Academic Enrichment Program	84.424	3,344,272
COVID-19-Education Stabilization Fund	84.425C, 84.425D, 84.425U, 84.425W	97,901,471
Total Major Programs		\$ 158,408,633
Threshold for distinguishing between Type A and B programs		\$ 3,000,000
Auditee qualified as low risk auditee?		No

BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section II –Financial Statement Findings

None noted.

Section III –Federal Award Findings

None noted.

BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND

Schedule of Prior Year Audit Findings For the Year Ended June 30, 2023

Finding 2022-001: Material Audit Adjustments

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition

The Board's internal controls did not ensure that cash, accounts receivable, lease liability and corresponding leased assets and expenses were recorded accurately.

Criteria

COSO/Internal Control Framework defines control activities as "policies and procedures that help ensure management's directives are carried out." Management review controls are defined as, "the activities of a person, different than the preparer, through analyzing and performing oversight of activities performed, and is an integral part of any internal control structure." COSO/Internal Control Framework requires adequate internal controls over the recording of balances to ensure proper amounts are reported at year end.

Cause

The Board's internal controls over financial reporting did not ensure proper reconciliation and detail review of account balances at year end was performed prior to submitting to the auditor for consideration.

2023 Update

Finding has been resolved.