

ANNE ARUNDEL COUNTY BOARD OF EDUCATION
REPORT ON SINGLE AUDIT
YEAR ENDED JUNE 30, 2023



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**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
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YEAR ENDED JUNE 30, 2023**

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

Members of the Board of Education
of Anne Arundel County
Annapolis, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of Anne Arundel County (the Board), a component unit of Anne Arundel County, Maryland, as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2023.

Report on Internal Control Over Financial Reporting

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

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

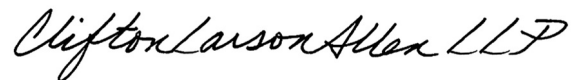
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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CliftonLarsonAllen LLP

Baltimore, Maryland
September 29, 2023



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

Members of the Board of Education
of Anne Arundel County
Annapolis, Maryland

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Board of Education of Anne Arundel County's (the Board) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2023. The Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Board's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Board's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Board's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Board's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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 2023-001. 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 finding 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001, 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 the internal control over compliance finding 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, each major fund, and the aggregate remaining fund information as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements. We have issued our report thereon, dated September 29, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. 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.

Members of the Board of Education
of Anne Arundel County

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Annapolis, Maryland
December 20, 2023

**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title/ Grant Name	Assistance Listing Number	Pass-through Entity Identifying Number	Passed- Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Administered Through Maryland State Department of Education:				
<i>Child Nutrition Cluster</i>				
School Breakfast Program				
Project No.: 7082-23 School Breakfast	10.553	None provided	\$ -	\$ 4,934,999
National School Lunch Program				
Project No.: 7091-0000 Food Distribution	10.555	None provided	-	3,157,624
Project No.: 7090-23 Supply Chain Assistance Funds	10.555	None provided	-	1,929,503
Project No.: 7081-23 School Lunch	10.555	None provided	-	16,631,353
Total National School Lunch Program			-	21,718,480
Summer Food Service Program for Children				
Project No.: 7052-23 Summer Food Service Program	10.559	None provided	-	976,853
Total Child Nutrition Cluster			-	27,630,332
Child and Adult Care Food Program				
Project No.: 7053-23 Child and Adult Care Food Program	10.558	None provided	-	427,146
COVID-19 - Pandemic EBT Administrative Costs				
Project No.: 7090-23 P-EBT Admin Reimbursement	10.649	None provided	-	5,950
Total U.S. Department of Agriculture			-	28,063,428
U.S. Department of the Treasury				
Administered Through Maryland State Department of Education:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds				
Project No.: 3765 Blue Print for MD's Future: Supplemental Instruction/Tutoring	21.027	211837-01	-	1,265,954
Project No.: 3800 ARP Trauma & Behavioral Health (FY22)	21.027	211906-01	-	494,764
Project No.: 3801 ARP Summer School (FY22)	21.027	211874-01	-	1,286,960
Project No.: 6184 FY22 Transitional Supplemental Instruction (Blueprint)	21.027	211877-01	-	374,109
Total Coronavirus State and Local Fiscal Recovery Funds			-	3,421,788
Total U.S. Department of the Treasury			-	3,421,788
U.S. Department of Education				
Administered thru Maryland State Department of Education:				
Title I Grants to Local Educational Agencies				
Project No.: 1980/1981 Title I	84.010	231247-01	-	14,064,486
Project No.: 1982/1983 Title I	84.010	221496-01	-	937,011
Project No.: 1987/1988 Title I	84.010	211117-01	-	755,568
Project No.: 1986 FY21 CSI Schools Year 2 Intervention	84.010	211173-02	-	17,082
Project No.: 1995 FY22 CSI Schools Year 3 Intervention	84.010	221628-01	-	289,032
Project No.: 1996 FY23 CSI Schools - Supplemental	84.010	231190-01	-	58,958
Total Title I Grants to Local Educational Agencies			-	16,122,136
<i>Special Education Cluster</i>				
Special Education Grants to States				
Project No.: 3473 Spec Ed - Part B 611 - CCEIS (Current Year)	84.027	220196-03	-	1,713,241
Project No.: 3474 Special Education, Access, Equity, and Progress	84.027	211014-03	-	174,180
Project No.: 3475 PT CCEIS	84.027	210265-03	-	696,578
Project No.: 3479 Special Education, Secondary Transition	84.027	211014-02	-	88,387
Project No.: 3480 Spec Education- Part B 611 - SE Advisory Committee	84.027	230566-04	-	2,500
Project No.: 3481 Spec Ed - Part B 611 - Pass Through Parentally Placed	84.027	220196-02	-	206,002
Project No.: 3482 Spec Education- Part B 611 - SE Advisory Committee	84.027	220196-04	-	368
	84.027	221176-03	-	93,042
Project No.: 3483 Spec Ed - Local Implementation - Access, Equity & Progress				
Project No.: 3484 Spec Ed AEP	84.027	230959-03	-	1,698
Project No.: 3487 Special Education - Secondary Transit	84.027	221176-02	-	30,729
Project No.: 3489 Spec Ed - Family Support	84.027	230566-05	-	20,000
Project No.: 3494 Spec Ed - Part B 611 - LIR - Secondary Transition	84.027	230959-02	-	21,303
Project No.: 3488 Spec Ed - Part B 611 - Pass Through (Prior Year)	84.027	220196-01	-	1,892,200
Project No.: 3496 Spec Ed - Part B 611 - Pass Through (Current Year)	84.027	230566-01	-	12,595,635

See accompanying Notes to Schedule of Expenditures of Federal Awards.

ANNE ARUNDEL COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title/ Grant Name	Assistance Listing Number	Pass-through Entity Identifying Number	Passed- Through to Subrecipients	Federal Expenditures
U.S. Department of Education (continued)				
<i>Special Education Cluster (continued)</i>				
Special Education Grants to States (continued)				
Project No.: 3588 Spec Ed - Part B 611 - Pass Through Parentally Placed	84.027	230566-02	\$ -	\$ 53,201
Project No.: 3593 Special Education, Early Childhood	84.027	211014-01	-	73,401
Project No.: 3592 Infants & Toddlers - Part B 611 (Current Year)	84.027	230463-01	-	132,504
Project No.: 3594 Infants & Toddlers - Part B 611 (Prior Year)	84.027	220158-01	-	132,287
Project No.: 3596 Spec Ed - Part B 611 - LIR - Early Childhood	84.027	221176-01	-	92,258
COVID-19 - Special Education Grants to States				
Project No.: 3530 ARP - Special Education, Passthrough	84.027	221204-01	-	2,543,460
	84.027	221204-02	-	69,798
Project No.: 3531 ARP - Special Education, Passthrough - Private School Students				
Project No.: 3532 ARP - Special Education, Passthrough, CCEIS	84.027	221204-03	-	346,064
Total Special Education Grants to States			-	20,978,836
Special Education Preschool Grants				
Project No.: 3477 Spec Ed - Part B 619 - Pre School NP (Parentally Placed)	84.173	230557-02	-	3,432
Project No.: 3495 Spec Ed - Part B 619 - Preschool	84.173	230557-01	-	459,295
Project No.: 3516 Infants & Toddlers	84.173	220459-02	-	18,116
Project No.: 3517 Infants & Toddlers - Part B 619 - IFSP	84.173	230619-02	-	3,160
Project No.: 3533 Special Education PreSchool Passthrough	84.173	221374-01	-	41,080
Project No.: 3597 Infants & Toddlers - Part B 619 Preschool Partners	84.173	230619-01	-	9,000
Total Special Education Preschool Grants			-	534,082
Total Special Education Cluster			-	21,512,918
Career and Technical Education -- Basic Grants to States				
Project No.: 5080 Career and Technology Perkins Voc Ed.	84.048	220984-01	-	88,204
Project No.: 5080 Career and Technology Perkins Voc Ed.	84.048	230082-01	-	352,843
Project No.: 5080 Career and Technology Perkins Voc Ed.	84.048	230880-01	-	372,304
Project No.: 5083/5087/5089 CTE Reserve	84.048	230106-01	-	11,079
Total Vocational Education - Basic Grants to States			-	824,430
Career and Technical Education -- National Program				
Project No.: 5084 STEM Apprenticeship MD	84.051	220547-01	-	10,925
Special Education-Grants for Infants and Families				
Project No.: 3590 Infants & Toddlers	84.181	220143-01	-	390,537
Project No.: 3560 Infants & Toddlers - Blueprint for MD's Future	84.181	220246-02	-	5,056
Project No.: 3590 Infants & Toddlers - Part C	84.181	230636-01	-	491,556
COVID-19 - Special Education-Grants for Infants and Families				
Project No.: 3560 ARP - IDEA ARP K-ARP-C	84.181	221918-01	-	130,408
Project No.: 3510 ARP - IDEA ARP M Extended IFSP/Readiness SIG/ARP- C	84.181	221755-01	-	6,044
Total Special Education-Grants for Infants and Families			-	1,023,600
Education for Homeless Children and Youth				
Project No.: 2293 Homeless Education	84.196	221586-01	-	56,659
Project No.: 2295 Homeless Education	84.196	231235-01	-	23,420
Total Education for Homeless Children and Youth			-	80,079
Student Support and Academic Enrichment Program				
Project No.: 3287 Title IV	84.424	201562-01	-	13,071
Project No.: 3288 Title IV	84.424	211383-01	-	257,535
Project No.: 3290 Title IV	84.424	221532-01	-	309,124
Project No.: 3289 Title IV	84.424	231254-01	-	275,171
Total Student Support and Academic Enrichment Program			-	854,902
Education Stabilization Fund				
COVID-19 - Governor's Emergency Education Relief (GEER) Fund				
Project No.: 3773 GEER - AACPS Microschool - Innovative	84.425C	202013-01	-	170,279
Project No.: 3774 GEER - Monarch	84.425C	202012-01	-	7,387
Total COVID-19 - Governor's Emergency Education Relief (GEER) Fund			-	177,666

See accompanying Notes to Schedule of Expenditures of Federal Awards.

ANNE ARUNDEL COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title/ Grant Name	Assistance Listing Number	Pass-through Entity Identifying Number	Passed- Through to Subrecipients	Federal Expenditures
U.S. Department of Education (continued)				
Education Stabilization Fund (continued)				
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund				
Project No.: 3782-3790 Elem & Secondary Sch Emergency Fund (ESSER)	84.425D	202236-01	\$ -	\$ 35,066,087
Project No.: 3762 Emergency Relief Fund, ESSER II AP Set-Aside	84.425D	221361-01	-	39,195
Project No.: 3802 Maryland LEADS - Staff Support	84.425D	221877-02	-	303,423
Project No.: 3803 Maryland LEADS - Grow Your Own	84.425D	221877-03	-	122,852
Total COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund			-	35,531,557
COVID-19 - American Rescue Plan -Elementary and Secondary School Emergency Relief (ARP ESSER)				
Project No.: 3791-3798 Elem & Secondary Sch Emergency Fund (ESSER)	84.425U	211951-01	-	24,038,824
COVID-19 - American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth				
Project No.: 2292 ARP: Homeless Education I	84.425W	221571-01	-	21,568
Project No.: 2296 ARP: Homeless Education II	84.425W	221833-01	-	189,947
Total COVID-19 - American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth			-	211,516
Total Education Stabilization Fund			-	59,959,563
English Language Acquisition State Grants				
Project No.: 2183 Title III, Language Instruction for EL & Immigrant Students	84.365	230443-01	-	76,725
Project No.: 2184 Title III, Language Instruction for LEP	84.365	210376-01	-	301,673
Project No.: 2185 Title III, Language Instruction for LEP	84.365	220681-01	-	452,570
Total English Language Acquisition State Grants			-	830,967
Supporting Effective Instruction State Grants				
Project No.: 0393 Title II, Supporting Effective Instruction	84.367	210782-01	-	328,842
Project No.: 0394 Title II, Supporting Effective Instruction	84.367	221050-01	-	1,598,467
Project No.: 0392 Title II, Supporting Effective Instruction	84.367	230691-01	-	155,822
Total Supporting Effective Instruction State Grants			-	2,083,132
Comprehensive Literacy Development				
Project No.: 6181 Striving Readers Supplemental	84.371	230663-01	-	56,826
Total Administered Through the Maryland State Department of Education			-	103,359,478
Direct Programs				
Impact Aid				
Impact Aid - Regular	84.041		-	2,293,633
Impact Aid - Special Education	84.041		-	1,744,048
Total Impact Aid			-	4,037,681
School Safety National Activities				
Project No.: 3299 Mental Health Grant - S184H220037	84.184		-	14,330
Total Direct Programs			-	4,052,011
Total U.S. Department of Education			-	107,411,489
U.S. Department of Health and Human Services				
Administered Through Maryland State Department of Education:				
Preschool Development Grants				
Project No.: 1769 Professional Learning in Early Literacy	93.434	231128-01	-	9,495
Total U.S. Department of Health and Human Services			-	9,495

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title/ Grant Name	Assistance Listing Number	Pass-through Entity Identifying Number	Passed- Through to Subrecipients	Federal Expenditures
U.S. Department of Defense				
Direct Programs				
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools				
Project No.: 3284 - DoDEA Grant - HE1254-17-1-0042	12.556	HE 1254-17-1-0042	\$ -	\$ 16,762
Project No.: 3285 - DoDEA Grant - HE1254-211-3002	12.556	HE1254-211-3002	-	185,189
Total Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools			-	201,951
Community Investment				
Project No.: 3185A Meade High School Renovation / Addition	12.600	HQ00052010012	-	29,369,331
Total U.S. Department of Defense			-	29,571,282
Federal Communications Commission				
Direct Programs				
COVID-19 - Emergency Connectivity Fund Program	32.009		-	2,199,000
Total Federal Communications Commission			-	2,199,000
Total Expenditures of Federal Awards			\$ -	\$ 170,676,482

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023**

NOTE 1 SINGLE AUDIT REPORTING ENTITY

The accompanying schedule of expenditures of federal awards (the Schedule or SEFA) includes the federal award activity of the Board of Education of Anne Arundel County under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 RELATION TO BASIC FINANCIAL STATEMENTS AND FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying SEFA agree with amounts reported in the Board's basic financial statements and the related federal financial reports submitted by the Board.

Total expenditures per the SEFA reconciles to the Board's basic financial statements as follows:

Revenues per the Statements of Revenue, Expenditures, and Changes in Fund Balance	
Federal - Food Service	\$ 28,063,427
Federal - General Fund	119,893,857
Federal - Capital Projects	29,369,331
Total per Basic Financial Statements	<u>177,326,615</u>
Less:	
FY23 Medicaid	(6,549,347)
Misc. Adjustment	(100,786)
Total Expenditures per SEFA	<u><u>\$ 170,676,482</u></u>

NOTE 4 INDIRECT COST RATE

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

**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ yes X no

Federal Grant Awards

Internal control over major federal programs:

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

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

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

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
84.425C/84.425D/84.425U/84.425W	Education Stabilization Fund
84.041	Impact Aid
84.027/84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

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

**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Finding Number:	2023-001
Prior Year Finding:	No
Federal Agency:	U.S. Department of Treasury
Federal Program:	Coronavirus State and Local Fiscal Recovery Funds
Assistance Listing:	21.027
Pass-Through Entity:	Maryland State Department of Education
Pass-Through Entity Award Information:	211874 (3/3/2021 – 12/31/2024)
Compliance Requirement:	Allowable Costs/Cost Principles
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: 2 CFR section 200.403 states, in part, except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
- (g) Be adequately documented.

**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

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

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/Context:

For one of sixty transactions selected for testing, Anne Arundel County Board of Education (the Board) was unable to provide documentation supporting that the payment was allowable under the program. The invoice supporting an employee reimbursement for summer baking/cooking camp could not be provided.

Questioned Costs:

\$31.93, the amount of the unsupported employee reimbursement.

Cause:

The Board's procedures were not sufficient to ensure that it maintained documentation supporting employee reimbursements. Internal controls did not prevent or detect the error.

Effect:

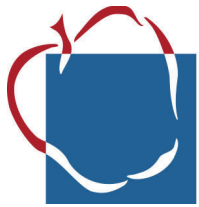
Unallowable costs could be charged to the program.

Recommendation:

We recommend that the Board review its policies and procedures to ensure that it maintains documentation supporting employee reimbursements and that this documentation is readily available for audit.

Views of responsible officials:

There is no disagreement with the finding.



Finding Number:	2023-001
Prior Year Finding:	No
Federal Agency:	U.S. Department of Treasury
Federal Program:	Coronavirus State and Local Fiscal Recovery Funds
Assistance Listing:	21.027
Pass-Through Entity:	Maryland State Department of Education
Pass-Through Entity Award Information:	211874 (3/3/2021 – 12/31/2024)
Compliance Requirement:	Allowable Costs/Cost Principles
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: 2 CFR section 200.403 states, in part, except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
- (g) Be adequately documented.

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/Context:

For one of sixty transactions selected for testing, Anne Arundel County Board of Education (the Board) was unable to provide documentation supporting that the payment was allowable under the program. The invoice supporting an employee purchase for summer baking/cooking camp could not be provided.

Questioned Costs:

\$31.93, the amount of the unsupported employee purchase.

Cause:

The Board's procedures were not sufficient to ensure that it maintained documentation supporting employee purchases. Internal controls did not prevent or detect the error.

Effect:

Unallowable costs could be charged to the program.

Recommendation:

We recommend that the Board review its policies and procedures to ensure that it maintains documentation supporting employee purchases and that this documentation is readily available for audit.

Views of responsible officials:**Explanation of disagreement with audit finding:**

There is no disagreement with the audit finding. AACPS acknowledges that a receipt supporting the \$31.93 purchase could not be located. AACPS made several attempts during the single audit's development phase to procure the receipt from the employee, but without success. Throughout the audit, the teacher furnished a detailed account of the purchased items and the purpose behind it. Nevertheless, the supervisor had sanctioned the purchase, the teacher provided a valid reason for the missing receipt, and the amount was negligible. The principal had initially approved the purchase, and supervisor authorization is standard procedure for all purchases, either before or after the transaction. Therefore, AACPS believes this finding should be considered immaterial and requests its exclusion from the single audit report.

Action taken in response to finding: A meeting has been scheduled with the Supervisor of Purchasing to begin the process to review the Purchasing Card (PCard) Manual and included processes and procedures. AACPS will review and update as necessary to ensure that all staff members who have PCard responsibility (purchase and approval authority) are aware of the crucial need to maintain accurate and complete records, including copies of all receipts. AACPS believes its current policies and procedures are sufficient and provide sound internal controls.

Name(s) of the contact person(s) responsible for corrective action: Matthew Stanski, Chief Financial Officer; Krishna Bappanad, Supervisor of Finance; Mary Jo Childs, Supervisor of Purchasing.

Planned completion date for corrective action plan: February 28, 2024.