

PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS

REPORT ON SINGLE AUDIT

YEAR ENDED JUNE 30, 2019

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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
Prince George's County, Maryland
Upper Marlboro, 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 Prince George's County Public Schools (the School System), as of and for the year June 30, 2019, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements, and have issued our report thereon dated September 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School System'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 School System's internal control. Accordingly, we do not express an opinion on the effectiveness of the School System'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 may exist that have not been identified.


Members of the Board of Education of
Prince George's County, Maryland

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School System's financial statements are free of 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*.

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 School System'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 School System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

CliftonLarsonAllen LLP

Baltimore, Maryland
September 30, 2019



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**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
Prince George's County, Maryland
Upper Marlboro, Maryland

Report on Compliance for Each Major Federal Program

We have audited the Prince George's County Public School's (the School System) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School System's major federal programs for the year ended June 30, 2019. The School System's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School System'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 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 School System'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 School System's compliance.

Opinion on Each Major Federal Program

In our opinion, the School System 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.

Report on Internal Control Over Compliance

Management of the School System 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 School System'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 School System'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School System as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements. We issued our report thereon dated September 30, 2019, 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

Members of the Board of Education of
Prince George's County, Maryland

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
December 12, 2019, except for the Schedule of
Expenditures of Federal Awards which is dated September 30, 2019

**PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number /Grant Award Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Education				
Direct Programs:				
PL-384 Federal Impact Aid	84.041	N/A	\$ -	\$ 98,140
Pass-through Programs From Maryland State Department of Education:				
Special Education (cluster):				
SPED Imperative: Access, Equity and Progress	84.027	18159601	-	106,176
SPED IEP Review	84.027	18163901	-	9,270
SPED SSCD Plo Grant	84.027	18167601	-	5,000
Secondary Transition Local Implementation Grant	84.027	18148701	-	101,130
SPED Family Partnerships Grant	84.027	18043708	-	6,263
SPED Family Partnerships Grant	84.027	18043707	-	114
SPED Family Partnerships Grant	84.027	19034305	-	19,820
2018 LAFF SE Citizens Advisory Committee	84.027	18043704	-	1,043
2019 LAFF SE Citizens Advisory Committee	84.027	19034304	-	1,747
2017 LAFF Part B 611 Pass-through	84.027	17027401	-	(89,543)
2017 LAFF Part B 611 Pass-through PPPSS	84.027	17027402	-	(537)
2017 LAFF Part B 611 Pass-through CEIS	84.027	17027403	-	(9,023)
2018 LAFF Part B 611 Pass-through	84.027	18043701	-	(182,870)
2018 LAFF Part B 611 Pass-through PPPSS	84.027	18043702	-	94,928
2018 LAFF Part B 611 Pass-through CEIS	84.027	18043703	-	930,274
2019 LAFF Part B 611 Pass-through	84.027	19034301	-	24,825,377
2019 LAFF Part B 611 Pass-through PPPSS	84.027	19034302	-	58,404
2019 LAFF Part B 611 Pass-through CEIS	84.027	19034303	-	556,496
2018 CLIG Part B 611 Discretionary Grant	84.027	18021301	-	93,503
2019 CLIG Part B 611 Discretionary Grant	84.027	19011001	-	343,527
2018 LAFF Local Priority Flexibility	84.027	18043706	-	62,640
2019 SPED LIR - Early Childhood	84.027	19034306	-	121,239
2019 SPED LIR- Secondary Transition Grant	84.027	19034307	-	60,205
2019 SPED LIR-Access, Equity, and Progress Grant	84.027	19034308	-	30,558
SPED Early Childhood	84.173	18138601	-	97,421
2018 CLIG Part B 619 Discretionary	84.173	18017701	-	1,661
2019 CLIG Part B 619 Discretionary	84.173	19015601	-	8,171
2018 CLIG Part B 619 Extended Option	84.173	18017702	-	5,842
2019 CLIG Part B 619 Extended Option	84.173	19015602	-	29,699
2018 LAFF Part B 619 Preschool CEIS	84.173	18043602	-	(844)
2019 LAFF Part B 619 Preschool CEIS	84.173	19025501	-	507,217
2019 LAFF Part B 619 Preschool CEIS	84.173	19025502	-	921
2019 LAFF Part B 619 Preschool CEIS	84.173	19025503	-	89,672
2016 Infants & Toddlers -Medical Assistance	84.173	N/A	-	191
2018 Infants & Toddlers -Medical Assistance	84.173	NA	-	49,071
2019 Infants & Toddlers -Medical Assistance	84.173	NA	-	580,795
Subtotal Special Education Cluster Passed through from Maryland State Department of Education			-	28,515,558
Infants & Toddlers -State Priority 2018 CLIG Part C	84.181	18031201	-	135,243
Infants & Toddlers -State Priority 2019 CLIG Part C	84.181	19016401	-	674,467
			-	809,710
Title I, Part A				
Title I Part A - FY 17	84.010	17092401	-	178,532
Title I Part A - FY 18	84.010	18069801	-	5,758,346
Title I Part A - FY 19	84.010	19062101	-	26,257,902
Title I School Improvement (SIG) 1003(a) Focus Grant	84.010	18130601	-	19,211
Title I Priority Schools Grant	84.010	18130001	-	454,587
Title I Comprehensive Support & Improvement	84.010	191725	-	3,023
Subtotal Title I, Part A			-	32,671,601
Career and Technical Education				
Career and Technology Education-Title IC Program Improvement	84.048	18073901	-	149,509
Perkins CTE Reserve	84.048	19112401	-	7,879
Career and Technology Education-Title IC Program Improvement	84.048	19112801	-	981,750
Subtotal Career and Technical Education			-	1,139,138

**PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Education for Homeless Children and Youth Cluster				
Educating Homeless Children & Youth Program	84.196	17107602	\$ -	\$ 43,267
Educating Homeless Children & Youth Program	84.196	18135201	-	24,979
Subtotal Education for Homeless Children and Youth Cluster			-	68,246
Education Research, Development and Dissemination	84.305A	R305A170411	-	16,007
FY 17 Title III-English Language Acquisition	84.365	18041302	-	7,599
FY 18 Title III-English Language Acquisition	84.365	19037102	-	327
FY 16 Title III-English Language Acquisition	84.365	17050401	-	20,803
FY 17 Title III-English Language Acquisition	84.365	18041301	-	1,300,622
FY 18 Title III-English Language Acquisition	84.365	19037101	-	2,249,329
Subtotal English Language Acquisition			-	3,578,680
FY18 Improving Teacher Quality Symposium	84.367	18182001	-	5,285
Teach to Lead Grant	84.367	19039201	-	10,965
FY 16 Improving Teacher Quality-Title II	84.367	16527501	-	(10,530)
FY 17 Improving Teacher Quality-Title II	84.367	17122101	-	1,332,952
FY 18 Improving Teacher Quality-Title II	84.367	18125101	-	2,474,947
FY 19 Improving Teacher Quality-Title II	84.367	19137001	-	935,485
Subtotal Improving Teacher Quality			-	4,749,104
Disaster Recovery Assistance for Education	84.938	19116901	-	125,854
Preschool Development Grant	84.419	17093401	-	240,247
Preschool Development Grant	84.419	18068801	-	1,369,656
Subtotal Race to the Top-Early Learning Challenge			-	1,609,903
Student Support & Academic Enrichment Grants	84.424A	18112601	-	709,220
Student Support & Academic Enrichment Grants	84.424A	19128301	-	210,345
Subtotal Student Support & Academic Enrichment Grants			-	919,565
Great Teachers, Great Leaders, Great Schools	84.374A	U374A170024	-	4,389,743
Striving Readers Comprehensive Literacy	84.371	18174801	-	516,392
Striving Readers Comprehensive Literacy	84.371	191075	-	178,409
Striving Readers Comprehensive Literacy	84.371	19104101	-	1,875
Subtotal Striving Readers Comprehensive Literacy			-	696,676
MD Collaborative SLDS Peer Collaborative Training	84.372	18084501	-	540
MD Collaborative SLDS Peer Collaborative Training	84.372	19075401	-	6,002
Subtotal MD Collaborative SLDS Peer Collaborative Training			-	6,542
Total U.S. Department of Education			-	79,394,467
Pass-through Programs From Maryland State Department of Education				
Child Nutrition Cluster:				
National School Lunch Program	10.555	N/A	-	4,620,072
School Breakfast Program	10.553	N/A	-	15,070,209
National School Lunch Program	10.555	N/A	-	37,904,802
Summer Food Service	10.559	N/A	-	1,223,857
Total Child Nutrition Cluster			-	58,818,940
Child & Adult Care Food Program	10.558	N/A	-	3,612,096
Fresh Fruits & Vegetables	10.582	N/A	-	1,009,014
Team Nutrition Training Grant	10.574	19118601	-	6,122
Team Nutrition Training Grant	10.574	19100101	-	2,676
Subtotal Team Nutrition Training Grant			-	8,798
Child Nutrition Discretionary Grants Limited Availability	10.579	18140101	-	80,301
Total U.S. Department of Agriculture			-	63,529,149
U.S. National Science Foundation				
Education and Human Resources - Minority Student Pipeline	47.076	University System of MD	-	1,798

**PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019
(Continued)**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Labor				
Pass-through Programs From Maryland State				
Department of Education				
Youth Career Connect	17.274	YC-25418-14-60-A-24	\$ -	\$ 27,590
Youth Career Connect	17.274	YC-25418-14-60-A-24	-	14,684
Total Youth Career Connect			<u>-</u>	<u>42,274</u>
National Aeronautics and Space Administration				
NASA ESPSI	43.008	NNX14AQ80G	<u>-</u>	<u>45,787</u>
U.S. Department of Defense				
Direct Programs:				
JROTC	12.900	N/A	<u>-</u>	<u>1,545,375</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 144,558,850</u>

**PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Prince George's County Public Schools (the School System) for the year ended June 30, 2019.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes all Federal grants to the School System that had activity during the fiscal year ended June 30, 2019. The Schedule was prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

NOTE 2 RELATION TO THE BASIC FINANCIAL STATEMENTS AND FEDERAL FINANCIAL REPORTS

Total expenditures per the Schedule of Expenditures of Federal Awards reconciles to the School System's basic financial statements as follows:

Federal Revenues per the Statements of Revenues, Expenditures and Changes in Net Position

Federal - General Funds	\$ 88,511,534
Federal - Special Revenue	58,875,312
Federal - Donated	4,620,072
Total Per Financial Statements	\$ 152,006,918
Expenditures of Federal Awards	\$ 144,558,850
Federal revenues included in the basic financial statements that are not required to be included in the schedule:	
Medicaid Funds	7,448,068
Total Per Financial Statements	\$ 152,006,918

NOTE 4 SUBRECIPIENTS

There were no awards provided to subrecipients for the year ended June 30, 2019.

NOTE 5 INDIRECT COSTS

The School System did not elect to use the 10% de Minimis cost rate for indirect costs.

**PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019**

I. Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified that are not considered to be material weaknesses	_____	Yes	_____ <u>X</u> _____	None reported
Noncompliance material to financial statements noted?	_____	Yes	_____ <u>X</u> _____	No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified that are not considered to be material weaknesses	_____	Yes	_____ <u>X</u> _____	None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	Yes	_____ <u>X</u> _____	No
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Identification of Major Programs	
<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
Title I Grants to Local Education Agencies	84.010
Supporting Effective Instruction State Grant	84.367
Teacher and School Leader Incentive Grants	84.374
Student Support and Academic Enrichment Program	84.424

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

Auditee qualified as low-risk auditee?	_____ <u>X</u> _____	Yes	_____	No
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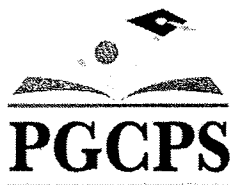
PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

II. Financial Statement Findings

There were no audit findings required to be reported in accordance with *Government Auditing Standards*.

III. Federal Award Findings and Questioned Costs

There were no audit findings required to be reported related to federal awards.



PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019

Prince George's County Public Schools respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2019.

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2018 – 001 Fixed Asset Accounting

Condition: The School System must maintain internal controls over capital asset expenditures to ensure the capital assets are properly included in the financial reports of the School System. The School System's existing process did not appropriately identify capital expenditures incurred during a previous fiscal year that should have been capitalized. As a result, adjustments to capital assets were necessary to include those fixed assets items that were incorrectly excluded. Failure to maintain proper accounting practices and internal controls may result in over or under reporting of capital assets. We recommend management continue their implementation of the policies and procedures for fixed asset reconciliations.

Status: Corrected.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2018 – 002 Suspension and Debarment

Condition: The School System could not provide supporting documentation to verify that the Vendor had not been suspended, debarred, or otherwise excluded from participating in federal assistance programs.

Status: Corrected.

2018 – 003 Eligibility

Condition: The School System could not provide supporting documentation to verify that two participants met the income criteria for services.

Status: Corrected.