

**BOARD OF EDUCATION OF  
BALTIMORE COUNTY, MARYLAND  
Baltimore, Maryland**

**REPORT ON SINGLE AUDIT  
June 30, 2008**

## TABLE OF CONTENTS

	<b>PAGE</b>
<b>INDEPENDENT AUDITOR'S REPORTS</b>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	1
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance and Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133.....	3
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b> .....	6
<b>NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b> .....	12
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b> .....	13
<b>SCHEDULE OF PRIOR YEAR FINDINGS</b> .....	17

**Independent Auditor's 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 Baltimore County  
Baltimore, Maryland

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Baltimore County (the Board), as of and for the year ended June 30, 2008, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated September 23, 2008. We conducted our audit 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures 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 control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board's financial statements that is more than inconsequential will not be prevented or detected by the Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board'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*.

This report is intended solely for the information and use of the Budget and Audit Committee, the Board of Education of Baltimore County, Maryland, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Clifton Gunderson LLP*

Baltimore, Maryland  
September 23, 2008

**Independent Auditor's Report on Compliance with  
Requirements Applicable to Each Major Program and on  
Internal Control Over Compliance and Schedule of Expenditures of  
Federal Awards in Accordance with OMB Circular A-133**

Members of the  
Board of Education of Baltimore County  
Baltimore, Maryland

**Compliance**

We have audited the compliance of the Board of Education of Baltimore County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Board of Education of Baltimore County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Board of Education of Baltimore County's management. Our responsibility is to express an opinion on the Board of Education of Baltimore County compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Board of Education of Baltimore County'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. Our audit does not provide a legal determination of the Board of Education of Baltimore County's compliance with those requirements.

As described in the accompanying schedule of findings and questioned costs as item 08-02, the Board of Education of Baltimore County did not comply with certain requirements applicable to earmarking of funds for the Special Education program. Compliance with such requirement is necessary, in our opinion, for the Board of Education of Baltimore County to comply with the requirements applicable to the major federal programs.

In our opinion, except for the noncompliance described in the preceding paragraph, Board of Education of Baltimore County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

### **Internal Control Over Compliance**

The management of the Board of Education of Baltimore County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Board of Education of Baltimore County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 entity's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Board's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in the Board's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Board's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 08-01 and 08-02 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Board's internal control. We consider the deficiency described as 08-02 in the accompanying schedule of findings and questioned costs to be a material weakness.

The Board of Education of Baltimore County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Board of Education of Baltimore County's responses and, accordingly, we express no opinion on them.

## **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Baltimore County, as of and for the year ended June 30, 2008, and have issued our report thereon September 23, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of Baltimore County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Budget and Audit Committee, the Board of Education of Baltimore County, Maryland, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Clifton Gunderson LLP*

Baltimore, Maryland  
October 25, 2008, except for the Schedule of Expenditures of  
Federal Awards, which is dated September 23, 2008

**BOARD OF EDUCATION OF BALTIMORE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2008**

<b>Federal Grantor/Pass-through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Federal Expenditures</b>
U. S. Department of Agriculture:			
Pass-through Programs from Maryland State			
Department of Education:			
Federal Donations of Food Commodities	10.555	—	\$ 1,725,252
National School Lunch Program	10.555	—	12,013,615
After-School Snack Program	10.555	—	20,729
National School Breakfast Program	10.553	—	3,369,567
National School Summer Food Service Program	10.559	—	254,060
Westland Beef Recall	10.555	802310-02	22,962
Total U.S. Department of Agriculture			<u>17,406,185</u>
National Security Agency:			
Mathematical Sciences Program			
Direct Program:			
SEIST FY 07	12.901	H98230-07-2-004	48,024
BCML & BCMT FY 07	12.901	H98230-07-1-0125	3,957
Total National Security Agency			<u>51,981</u>
U.S. Department of Justice:			
Public Safety Partnership and Community Policing Grants			
Direct Program:			
COPS FY 07	16.71	COPS-SOS-2006-1	19,491
Total U.S. Department of Justice			<u>19,491</u>
U.S. Department of Labor:			
Job Training and Partnership Act:			
Pass-through Programs from Baltimore County, Maryland:			
WIA Youth Activities:			
Life Works FY 07	17.259	M7023-07	549
Life Works FY 08	17.259	3030708	200,704
Total U.S. Department of Labor			<u>201,253</u>
National Science Foundation:			
Direct Program:			
NSF STEM FY 07	47.076	HER-0514420	482,573
NSF STEM FY 08	47.076	HER-0514420	197,117
Total National Science Foundation			<u>679,690</u>
U. S. Department of Education:			
Adult Education State Grant Program:			
Pass-through Program from Maryland State			
Department of Education:			
Adult Basic Education FY 08	84.002A	700746-03	10,249
Adult Secondary Education FY 08	84.002A	700746-04	2,218
Local Institutionalized FY 08	84.002A	700746-05	3,372
Total Adult Education Programs			<u>15,839</u>

**BOARD OF EDUCATION OF BALTIMORE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2008**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U. S. Department of Education, continued:			
Title I Grants to Local Educational Agencies:			
Pass-through Program from Maryland State			
Department of Education:			
Title I FY 06	84.010	500346-01	\$ 100
School Improvement FY 07	84.010	500984-02	75,792
School Improvement FY 08	84.010	601711-01	451,307
Title I Neglected and Delinquent Youth FY 07	84.010	600359-01	37,410
Title I FY 07	84.010A	600536-01	2,201,046
Title I FY 08	84.010	700535-01	16,240,010
Title I Neglected and Delinquent Youth FY 08	84.010	700598-01	85,466
Recognition Awards FY 08	84.010	701876-01	79,945
Total Title I Grants			<u>19,171,076</u>
Special Education:			
Pass-through Program from Maryland State			
Department of Education:			
Pass-through FY 08	84.027	800152-01	20,327,090
Supplemental Pass-through FY 07	84.027	700142-03	9,514
Supplemental Pass-through FY 08	84.027	800152-03	8,843
Special Education Advisory Council FY 07	84.027	700142-04	525
Special Education Advisory Council FY 08	84.027	800152-04	1,153
Personnel Development FY 07	84.027	700142-02	16,129
Personnel Development FY 08	84.027	800152-02	20,444
Least Restrictive Environment (LRE) FY 07	84.027	700142-05	34,987
Least Restrictive Environment (LRE) FY 08	84.027	800152-05	147,485
FY06 Pass-through Carryover to FY 07	84.027	701708-01	103,152
FY07 Pass-through Carryover to FY 08	84.027	801756-01	1,919,118
Infants and Toddlers Part B FY 08	84.027	800240-02	136,448
Infants and Toddlers FY 08 - Part B Supplemental	84.027	702138-01	331,501
Total Special Education Pass-Through Programs			<u>23,056,389</u>
Vocational Education Basic Grants To States:			
Pass-through Program from Maryland State			
Department of Education:			
Perkins FY 07	84.048	700885-01/02	44,540
Perkins FY 08	84.048	801220-01/02	1,044,177
Teacher Academy of Maryland FY 08	84.048	800801-01	48,992
Project Lead the Way FY 08	84.048	801528-01	30,475
Total Vocational Education			<u>1,168,184</u>
Magnet Schools Assistance:			
Direct Program:			
MSAP FY 07	84.165A	U165A040066	840,304
Total Magnet School Assistance			<u>840,304</u>

**BOARD OF EDUCATION OF BALTIMORE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2008**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U. S. Department of Education, continued:			
Special Education: Preschool — IDEA Part B:			
Pass-through Program from Maryland State			
Department of Education:			
MMSR Federal FY 07	84.173	700684-02	\$ 13,036
MMSR Federal FY 08	84.173	801008-02	26,864
Preschool Pass-through FY 07	84.173	700142-06	55
Preschool Pass-through FY 08	84.173	800152-06	755,695
Preschool Pass-through Carryover to FY 07	84.173	701708-02	11,197
Preschool Pass-through Carryover to FY 08	84.173	801756-02	38,683
Infants and Toddlers Part B FY 08	84.173	800240-03	9,000
Total IDEA Part B			<u>854,530</u>
Special Education: Preschool — IDEA Part C:			
Pass-through Program from Maryland State			
Department of Education:			
Infants and Toddlers Part C FY 07	84.181A	700306-01/02	39,691
Infants and Toddlers Part C FY 08	84.181	800240-01	507,112
Total IDEA Part C			<u>546,803</u>
Safe and Drug Free Schools and Communities:			
Pass-through Program from Maryland State			
Department of Education:			
FY 06 Title IV - Safe and Drug Free Schools	84.186	600516-01	5,927
FY 07 Title IV - Safe and Drug Free Schools	84.186	700194-01	249,811
FY 08 Title IV - Safe and Drug Free Schools	84.186	800398-01	235,148
I want to Know Fed - Western HS FY 07	84.186	700693-01	250
I want to Know Fed - Franklin HS FY 07	84.186	700692-01	250
Total Safe and Drug Free Schools			<u>491,386</u>
Pass-through Program from Maryland State			
Department of Education:			
Education for Homeless Children and Youth FY 07	84.196A	700754-01	25,515
Education for Homeless Children and Youth FY 08	84.196A	801908-01	81,127
Total Education for Homeless Children and Youth			<u>106,642</u>
Javits Gifted and Talented Students Education:			
Pass-through Program from Maryland State			
Department of Education:			
Javits - Potential & Promise In Primary Students FY 07	84.206A	602185-01	4,157
Javits - Potential & Promise In Primary Students FY 08	84.206	801330-01	3,016
Total Javits Gifted and Talented Education			<u>7,173</u>
Even Start Educational Agencies:			
Pass-through Program from Maryland State			
Department of Education:			
Even Start FY 07	84.213C	701047-01/02	41,079
Total Even Start Educational Agencies			<u>41,079</u>
Fund for Improvement of Education — ESEA Title X			
Direct Program:			
Smaller Learning Communities FY 05	84.215L	V215L042100	535,621
Teaching American History FY 06	84.215X	U215X050138	246,756
Total Fund for Improvement of Education			<u>782,377</u>

**BOARD OF EDUCATION OF BALTIMORE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2008**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U. S. Department of Education, continued:			
Tech Prep Education Program:			
Pass-through Program from Maryland State			
Department of Education:			
Perkins FY 08	84.243	801220-03/04	\$ 127,825
High Schools That Work FY 08	84.243	702182-01	4,991
Total Tech Prep Education			<u>132,816</u>
Foreign Language Assistance Program:			
Direct Program:			
FLAP FY 04	84.293B	T293B030170	<u>6,139</u>
Innovative Education Program Strategies:			
Pass-through Program from Maryland State			
Department of Education:			
Title V FY 07	84.298	700614-01	86,443
Title V FY 08	84.298	800754-01	82,969
US Hispanic Youth Entrepreneur Education FY08	84.298	801692-01	10,000
Total Innovative Education Program Strategies			<u>179,412</u>
Technology Literacy Challenge Fund Grant:			
Pass-through Program from Maryland State			
Department of Education:			
Algebra Collaborative FY 06	84.318	601103-01	304,022
Education Technology Formula Title II D FY 07	84.318	700679-01/02	68,429
Education Technology Formula Title II D FY 08	84.318	800953-01	5,333
Algebra Collaborative Sustainability FY 07	84.318	701797-01/02	270,206
Education Technology E-learning FY 07	84.318	701796-01/02	145,989
Prealgebra Consortium FY 08	84.318	801327-01	408,575
Pass-through Program from Montgomery County			
Student Tech Literacy - TL8 - FY 06	84.318	MCPS	17,916
Student Tech Literacy - TL8 - FY 08	84.318	MCPS	1,112
Student Tech Literacy - TL8 Consortium - FY 08	84.318	MCPS	3,058
MD K-12 Digital Library FY 07	84.318	MCPS 601076	6,132
Total Technology Literacy Challenge Fund			<u>1,230,772</u>
Pass-through Program from Maryland State			
Department of Education:			
Advanced Placement Great Expectations FY 07	84.330C	700943-01	28,034
Nexus FY 07	84.330C	700936-01/02	49,428
Nexus FY 08	84.330C	800685-01	29,092
Kenwood High School AP Test Assistance	84.330B	800823-01	447
Total Advanced Placement Incentive Program			<u>107,001</u>

**BOARD OF EDUCATION OF BALTIMORE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2008**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U. S. Department of Education, continued:			
Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP):			
Pass-through Program from Maryland State			
Department of Education:			
Gear Up FY07	84.334A	701611-01	\$ 88,704
Gear Up FY08	84.334S	801212-01	150,663
Total GEAR UP			<u>239,367</u>
Reading First State Grants:			
Pass-through Program from Maryland State			
Department of Education:			
Reading First FY 06	84.357A	600729-01	
Reading First FY 07- Line 1	84.357A	700921-01	564,487
Reading First FY 07- Line 2	84.357A	700921-02	11,236
Reading First FY 08- Line 1	84.357A	801582-01	1,003,153
Reading First MIBR FY 08	84.357A	800291-01	11,539
Total Reading First			<u>1,590,415</u>
English Language Acquisition:			
Pass-through Program from Maryland State			
Department of Education:			
Title III - Language Acquisition FY 06	84.365A	600487-01	1,801
Title III - Language Acquisition FY 07	84.365A	700348-01	81,238
Title III - Line 2 - Immigrant FY 08	84.365A	800602-02	88,207
Title III - Language Acquisition FY 08	84.365A	800602-01	428,982
Total English Language Acquisition			<u>600,228</u>
Improving Teacher Quality - State Grants:			
Pass-through Program from Maryland State			
Department of Education:			
Title II FY 06	84.367	600462-01	361,578
Title II FY 07	84.367	700638-01	932,736
Title II FY 08	84.367	800780-01	1,166,355
Title II FY 08 - Line 2	84.367	800780-02	950
Measuring Technology Literacy FY 08	84.367	801948-01	81,402
Total Improving Teacher Quality - State Grants			<u>2,543,021</u>
Total U. S. Department of Education			<u>53,710,953</u>

**BOARD OF EDUCATION OF BALTIMORE COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2008**

<b>Federal Grantor/Pass-through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Federal Expenditures</b>
U.S. Department of Health and Human Services:			
Acquired Immunodeficiency Syndrome Activity:			
Pass-through Program from Maryland State			
Department of Education:			
Sexual Harassment and Assault Prevention FY 07	93.991	701617-01	\$ 4,687
Sexual Harassment and Assault Prevention FY 08	93.991	801625-01	13,303
Total Acquired Immunodeficiency Syndrome Activity			<u>17,990</u>
Total U.S. Department of Health and Human Services			<u>17,990</u>
Corporation for National and Community Service:			
Learn and Service America:			
Pass-through Program from Maryland State			
Department of Education:			
FY 08 Learn and Service America	94.004	801525-01	13,447
Total Corporation for National and Community Service			<u>13,447</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 72,100,990</u></u>

**BOARD OF EDUCATION OF BALTIMORE COUNTY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2008**

**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 Board of Education of Baltimore County, Maryland (the Board), a component unit of Baltimore County, Maryland, for the year ended June 30, 2008.

**Basis of Accounting**

The accompanying Schedule has been prepared using the modified accrual basis of accounting, except for the U.S. Department of Agriculture (USDA) programs which are presented using the accrual basis of accounting. This basis of accounting is fully described in Note 1 to the Board's basic financial statements.

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

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

The following is a reconciliation of federal awards reported in the Schedule to federal revenue reported in the Board's basic financial statements for the year ended June 30, 2008:

<b>Total federal expenditures reported in the Schedule</b>	\$ 72,100,990
Federal revenues included in the basic financial statements that are not required to be included in the Schedule:	
Medicaid funds under contract for services	5,430,297
R.O.T.C funds under contract for services	499,898
Medicare Part D	<u>1,795,000</u>
<b>Total</b>	<u>\$ 79,826,185</u>
Total federal revenues reported in the basic financial statements:	
Special Revenue Fund	\$ 60,625,000
Food Service Fund	17,406,185
General Fund	<u>1,795,000</u>
<b>Total</b>	<u>\$ 79,826,185</u>

**BOARD OF EDUCATION OF BALTIMORE COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2008**

**I. Summary of Independent Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____	<u>X</u>	Yes	_____	No
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**Identification of Major Programs**

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
National Science Foundation	47.076
Special Education Cluster	84.027, 84.173
Technology Literacy	84.318
Reading First	84.357

Dollar threshold used to distinguish between type A and type B programs \$ 2,163,030

Auditee qualified as low-risk auditee?	_____	<u>X</u>	Yes	_____	No
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**BOARD OF EDUCATION OF BALTIMORE COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2008**

**II. Financial Statement Findings**

None

**III. Federal Award Findings and Questioned Costs**

***Finding No. 08-01*** Students' enrollment status for the special education program was not accurately reported to Maryland State Department of Education (MSDE).

Federal Program: Special Education Cluster CFDA #84.027, 84.173

Condition: We noted that the enrollment status for 3 out of 25 students was incorrectly reported to MSDE.

One student officially withdrew from Baltimore County Public School (BCPS) on September 27, 2007. The student was incorrectly reported on the October 2007 Special Services Information System (SSIS) report as an active BCPS student.

One student officially withdrew from BCPS on January 17, 2007 and was enrolled into a non-public school with the tuition being paid by the Department of Social Services. The student was incorrectly reported on the October 2007 SSIS report as an active BCPS student.

One student officially withdrew from BCPS on October 9, 2006 and was enrolled into a non-public school with the tuition being paid by BCPS. The student was incorrectly reported on the June 2007 exit report as a non-active BCPS student.

Criteria: 34 CFR sections 300.640, 300.643, and 300.644 requires each SEA to report to the Secretary an unduplicated count of children with disabilities receiving special education and related services. The SEA may include in this count children with disabilities who are enrolled in a school or program that is operated or supported by a public agency, and that either: (1) provides them with both special education and related services, or (2) provides them only with special education if they do not need related services to assist them in benefiting from that special education.

**BOARD OF EDUCATION OF BALTIMORE COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2008**

LEAs must report to the SEA in accordance with the SEA-established procedures.

Cause: Inconsistent application of procedures caused some schools to inaccurately report student data.

Effect: Inaccurate enrollment reporting may affect the federal funding for the Special Education program.

Questioned Costs: Undetermined

Recommendation: BCPS should review current procedures for verifying the student data reported on the special education Exit and SSIS reports.

Management's Response: Multiple trainings will be held to inform staff about the proper implementation of procedures regarding student data. Additionally, staff will conduct a thorough review of student data for accuracy.

***Finding No. 08-02*** BCPS did not provide written policies and procedures detailing the Board's rationale for the selection of schools, determination of teachers' efforts and reporting requirements related to the Early Intervening Services.

Compliance with the 15% earmarking requirement was not adequately documented.

Federal Program: Special Education Cluster CFDA #84.027, 84.173

Condition: BCPS did not have adequate written policies and procedures for the Board's criteria used to identify and monitor the schools and teachers selected to meet the 15% earmarking requirement.

**BOARD OF EDUCATION OF BALTIMORE COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2008**

- Criteria: A-102 Common Rule requires non-federal entities that receive federal awards to establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.
- Adequate internal controls over the earmarking compliance requirement will provide reasonable assurance that the requirement is met.
- Cause: Although the Early Intervening Services were delivered, the policies and procedures were not written. The lack of written procedures did not allow for the determination of compliance with the applicable regulations.
- Effect: BCPS may be unable to adequately support the Board's compliance with the earmarking requirement.
- Questioned Costs: Questioned costs could not be determined from the data provided
- Recommendation: We recommend that BCPS develop written policies and procedures detailing the Board's rationale for the selection of schools, determination of teachers' efforts and reporting requirements related to the Early Intervening Services. The written procedures should include the process in which the Board monitors the program to ensure compliance with the written procedures.
- Management's Response: BCPS will develop written policies and procedures to ensure proper expenditures and documentation of funds for Early Intervening Services.

**BOARD OF EDUCATION OF BALTIMORE COUNTY, MARYLAND**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**June 30, 2008**

***Finding No. 07-01*** Documentation to support the highly qualified status of a paraprofessional was not readily available.

Current Year Status We documented and tested BCPS' internal controls and compliance related to the highly qualified compliance requirements. No findings were noted and no additional testing was required.  
Resolved