

**MONTGOMERY COLLEGE
REPORT ON SINGLE AUDIT
YEAR ENDED JUNE 30, 2024**



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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**

Board of Trustees
Montgomery College
Rockville, 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 business-type activities, the discretely presented component unit and the aggregate remaining fund information of Montgomery College (the College), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated September 26, 2024.

The financial statements of Montgomery College Foundation, Inc., the discretely presented component unit, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or reportable noncompliance associated with Montgomery College Foundation, Inc.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College'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 College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College'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 College'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 College'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 26, 2024



**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**

Board of Trustees
Montgomery College
Rockville, Maryland

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Montgomery College (the College)'s 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 College's major federal programs for the year ended June 30, 2024. The College'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 College 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, 2024.

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 College 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 College's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not included in the Compliance Audit

The College's basic financial statements include the operations of Montgomery College Foundation, Inc., a discretely presented component unit which is not included in the College's schedule of expenditures of federal awards during the year ended June 30, 2024. Our compliance audit, described in the Opinion on Each Major Federal Program, does not include the operations of Montgomery College Foundation, Inc. because it did not receive federal awards.

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 College'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 College'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 College'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 College'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 College'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 College'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.

Report on 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the College as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We have issued our report thereon dated September 26, 2024, 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. 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.



CliftonLarsonAllen LLP

Baltimore, Maryland
December 18, 2024

**MONTGOMERY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Federal Grant Number/Pass Through Grantor's Number	Amounts Passed Through to Subrecipients	Federal Expenditures
<u>Student Financial Assistance Cluster</u>				
U.S. DEPARTMENT OF EDUCATION				
Direct Programs				
Federal Pell Grant	84.063	N/A	\$ -	\$ 22,155,372
Federal Supplemental Educational Grant	84.007	N/A	-	732,967
Federal Work Study	84.033	N/A	-	502,799
Federal Direct Loans	84.268	N/A	-	7,158,869
Total Student Financial Assistance Cluster			-	30,550,007
<u>TRIO Cluster</u>				
U.S. DEPARTMENT OF EDUCATION				
Direct Programs				
Student Support Services Program	84.042A	P042A200499	-	285,852
Educational Opportunity Centers Program	84.066A	P066A210140	-	285,726
Total TRIO Cluster			-	571,578
<u>Research & Development (R&D) Cluster</u>				
NATIONAL SCIENCE FOUNDATION				
Direct Programs				
Collaborative Research: Institutional and Community Transformation for Teaching and Learning Quantitative Reasoning in the Biological Sciences	47.076	DUE-1821169	-	29,335
Improving Biopharmaceutical Technician Education with Cell and Gene Therapy Credentials	47.076	DUE-2155187	-	106,965
Achieving Upward Socio-Economic Mobility (AUSEM)	47.076	DUE-2322299	-	79,276
Beginnings: Democratizing Research and Experiential Education for Microelectronics (DREEM)	47.084	ITE-2322700	-	72,017
Collaborative Research: EPIIC: EmpowerEd - Building the Future Workforce Together	47.084	ITE-2331558	-	44,660
Passed Through Mount St. Mary's University				
Collaboration Between Community Colleges and a University to Increase Transfer Student Success in STEM	47.076	2030851-02	-	6,941
Passed Through BioQUEST Curriculum Consortium				
RCN-UBE: Quantitative Biology at Community Colleges	47.074	1919613-1	-	20,453
Total National Science Foundation			-	359,647
U.S. DEPARTMENT OF COMMERCE (NIST)				
Direct Programs				
PREP Gaithersburg	11.620	70NANB23H022	-	132,180
Passed Through University of Delaware				
NIIMBL Research, Development, and Testbeds to Help the Nation Prevent, Prepare for, and Respond to the Coronavirus	11.619	ARP-38A UDR0000421	-	201,588
Total U.S. Department of Commerce			-	333,768
Total R&D Cluster			-	693,415
<u>Child Care and Development Fund Cluster</u>				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Maryland State Department of Education				
Maryland Rebuilds Initiative Grant	93.575	231648	-	1,198,704
Total Department of Health and Human Services / Child Care and Development Fund Cluster			-	1,198,704
<u>Other Programs</u>				
U.S. DEPARTMENT OF LABOR				
Direct Programs				
Technical Metro Area Pathways (TechMAP, SCC2)	17.261	CC-38931-22-60-A-24	-	394,348
Passed Through The Primary Care Coalition of Montgomery County, Maryland				
Building an Inclusive Workforce: Lifting Underrepresented Communities	17.289	FY24WKFDOL005-Sub	-	13,080
Total U.S. Department of Labor			-	407,428

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**MONTGOMERY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Federal Grant Number/Pass Through Grantor's Number	Amounts Passed Through to Subrecipients	Federal Expenditures
Other Programs (continued)				
U.S. DEPARTMENT OF EDUCATION				
Direct Programs				
COVID-19 Education Stabilization Fund Higher Education Emergency Relief Funds (HEERF) Minority Serving Institution Portion	84.425L	P425L200469	-	1,255,042
COVID-19 Education Stabilization Fund HEERF Institutional Portion Total ALN 84.425	84.425F	P425F203423	-	59,082
			-	1,314,124
Fund for the Improvement of Postsecondary Education- Montgomery College Social Resource Program: Nourishing the Mind, Body, and Spirit	84.116N	P116N210009	-	482,162
Undergraduate International Studies and Foreign Language Program- Montgomery College International Studies Program - AsianTrack (ISPAT)	84.016A	P016A230039	-	48,587
Passed Through Maryland State Department of Education				
Title IC Program Improvement	84.048A	240176	-	486,238
Passed Through Maryland Department of Labor, Licensing, and Regulation				
Consolidated Adult Education & Family Literacy	84.002A	P00P4600126	-	1,749,479
Consolidated Adult Education & Family Literacy Total U.S. Department of Education	84.002A	P00P3600164	-	(7,101)
			-	4,073,489
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Maryland Department of Human Resources				
Vocational Training and Employment Services	93.566	FIA/VTES-24-481	-	323,496
Vocational Training and Employment Services	93.566	FIA/VTES-23-481	-	44,215
English as a Second Language Training Program for Refugees	93.566	FIA/ESOL-24-484	-	245,495
English as a Second Language Training Program for Refugees Total ALN 93.566 / Department of Health and Human Services	93.566	FIA/ESOL-23-484	-	61,889
			-	675,095
U.S. DEPARTMENT OF HOMELAND SECURITY				
Direct Programs				
FY2023 Citizenship and Integration Direct Services Grant Program	97.010	23CICET00283	-	141,992
FY2021 Citizenship and Integration Direct Services Grant Program Total ALN 97.010/U.S. Department of Homeland Security	97.010	21CICET00186	-	35,073
			-	177,065
Total Expenditures of Federal Awards			\$ -	\$ 38,346,781

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**MONTGOMERY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Montgomery College (the College) for the year ended June 30, 2024. The information in this schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, change in net position or cash flows of the College.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) 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, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

(B) Pass-through entity identifying numbers are presented where available.

NOTE 3 INDIRECT COST RATE

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

NOTE 4 LOAN PROGRAMS

During the year ended June 30, 2024, the College processed the following amount of new loans under the Federal Direct Lending Program. Since this program is administered by outside financial institutions, new loans made during the fiscal year relating to this program are considered current year expenditures in the schedule.

<u>Assistance Listing Number</u>	<u>Program Name</u>	<u>Loan Expenditures</u>
84.268	Federal Direct Lending	\$7,158,869

MONTGOMERY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024

NOTE 5 STUDENT FINANCIAL AID INSTITUTIONAL AND PROGRAM ELIGIBILITY METRICS

The Institution is in compliance with the following institutional and program eligibility requirements under the Higher Education Act of 1965 and Federal regulations under 34 CFR 668.23:

- Correspondence courses the institution offers under 34 CFR 600.7(b) and (g)
- Regular students that enroll in correspondence courses under 34 CFR 600.7(b) and (g)
- Institution's regular students that are incarcerated under 34 CFR 600.7(c) and (g)
- Completion rates for confined or incarcerated individuals enrolled in non-degree programs at nonprofit institutions under 34 CFR 600.7(c)(3)(ii) and (g)
- Institution's regular students that lack a high school diploma or its equivalent under 34 CFR 600.7(d) and (g)
- Completion rates for short-term programs under 34 CFR 668.8(f) and (g)
- Placement rates for short-term programs under <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-668/subpart-A/section-668.8> 34 CFR 668.8(e)(2)

**MONTGOMERY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

Section I – Summary of Auditors’ Results

Financial Statements

- | | | | | |
|------------------------------------------------------------------------------------------------------|-------|------------|----------|---------------|
| 1. Type of auditors’ report issued: | | Unmodified | | |
| 2. Internal control over financial reporting: | | | | |
| • Material weakness(es) identified? | _____ | Yes | <u>X</u> | No |
| • Significant deficiency(ies) identified that is (are) not considered to be a material weakness(es). | _____ | Yes | <u>X</u> | None Reported |
| 3. Noncompliance material to financial statements noted? | _____ | Yes | <u>X</u> | No |

Federal Awards

- | | | | | |
|-------------------------------------------------------------------------------------------------------|-------|------------|----------|---------------|
| 1. Internal control over major programs: | | | | |
| • Material weakness(es) identified? | _____ | Yes | <u>X</u> | No |
| • Significant deficiency(ies) identified that is (are) not considered to be a material weakness(es). | _____ | Yes | <u>X</u> | None Reported |
| 2. Type of auditors’ report issued on compliance for major programs: | | Unmodified | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | _____ | Yes | <u>X</u> | No |

Identification of Major Programs

Name of Federal Program or Cluster	Assistance Listing
Student Financial Assistance Cluster:	
Federal Pell Grant	84.063
Federal Supplemental Educational Grant	84.007
Federal Work Study	84.033
Federal Direct Loans	84.268
Child Care and Development Block Cluster	93.575
Dollar threshold used to distinguish between type A and type B programs	<u>\$1,150,403</u>
Auditee qualified as low-risk auditee?	_____ Yes <u>X</u> No

**MONTGOMERY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2024**

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



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