

CALVERT COUNTY PUBLIC SCHOOLS
Prince Frederick, Maryland

REPORT ON SINGLE AUDIT
June 30, 2017

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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***

To the Board of Education of Calvert County and Management of
Calvert County Public Schools
Prince Frederick, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Calvert County Public Schools (CCPS), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise CCPS' basic financial statements, and have issued our report thereon dated September 27, 2017.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CCPS' 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 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 result 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.

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

CliftonLarsonAllen LLP

Baltimore, Maryland
September 27, 2017



**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**

To the Board of Education of Calvert County and Management of
Calvert County Public Schools
Prince Frederick, Maryland

Report on Compliance for Each Major Federal Program

We have audited Calvert County Public Schools' (CCPS) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CCPS' major federal programs for the year ended June 30, 2017. CCPS' 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of CCPS' 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 CCPS' 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 CCPS' compliance.

Opinion on Each Major Federal Program

In our opinion, CCPS 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, 2017.

Report on Internal Control Over Compliance

Management of CCPS 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 CCPS' 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 CCPS' 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, the business-type activities, each major fund, and the aggregate remaining fund information of CCPS, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise CCPS' basic financial statements. We issued our report thereon dated September 27, 2017, 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

Board of Education of Calvert County
Calvert County Public Schools

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 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, 2017

CALVERT COUNTY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2017

<u>GRANT</u>	<u>PASS THROUGH NUMBER</u>	<u>FEDERAL CATALOG NUMBER</u>	<u>TOTAL GRANT EXPENDITURES</u>	<u>AMOUNTS PASS-THROUGH TO SUBRECIPIENTS</u>
Federal Funds Received Directly				
U.S. Department of Education				
PL 874	N/A	84.041	\$ 322,750	
U.S. Department of Health and Human Services				
Head Start Year 4 Funds	N/A	93.600	971,260	
Head Start Year 4 T & TA Funds	N/A	93.600	10,086	
Head Start Year 5 Funds	N/A	93.600	260,305	
Head Start Year 5 T & TA Funds	N/A	93.600	3,633	
Total Head Start			<u>1,245,284</u>	
Total Federal Funds Received Directly			<u>1,568,034</u>	
 U.S. Department of Education				
Federal Programs Administered Through				
Maryland State Department of Education				
<u>Elementary And Secondary Education:</u>				
Title I Educationally Deprived	17082601	84.010	1,261,665	
Title I Educationally Deprived	16511201	84.010	373,755	
Title I Educationally Deprived	17131001	84.010	105,126	
Total Title I			<u>1,740,546</u>	
 <u>Occupational, Vocational and Adult Education</u>				
Voc. Ed-Basic Grants	17052001	84.048	96,658	
	17072701			
Voc. Ed-Basic Grants	17072601	84.048	32,530	
Total Vocational Education			<u>129,188</u>	
 <u>Special Education Cluster:</u>				
Special Education Grants to States	17011401	84.027	2,653,401	
Special Education Grants to States	16454201	84.027	413,008	
Special Education Grants to States	16454202	84.027	12,843	
Special Education Grants to States	16454301	84.027	14,355	
Special Education Grants to States	17011405	84.027	170	
Special Education Grants to States	17011406	84.027	18,056	
Special Education Grants to States	16572901	84.027	123,024	
Special Education Grants to States	16438301	84.027	313	
Special Education Grants to States	17013301	84.027	50,383	
Special Education Grants to States	16454203	84.027	2,226	
Special Education Grants to States	17011403	84.027	764	
Special Education Grants to States	16454204	84.027	14,303	
Special Education Grants to States	17011404	84.027	67,368	
Special Education Grants to States	16438202	84.027	8,397	
Total Special Education Grants to States			<u>3,378,611</u>	
 <u>Preschool</u>				
Special Education Preschool Grants	16454401	84.173	1,026	
Special Education Preschool Grants	16454501	84.173	700	
Special Education Preschool Grants	16454502	84.173	196	
Special Education Grants to States	17026401	84.173	66,578	
Special Education Grants to States	17026402	84.173	847	
Total Special Education Preschool Grants			<u>69,347</u>	
Total Special Education Cluster			<u>3,447,958</u>	

CALVERT COUNTY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2017

GRANT	PASS THROUGH NUMBER	FEDERAL CATALOG NUMBER	TOTAL GRANT EXPENDITURES	AMOUNTS PASS-THROUGH TO SUBRECIPIENTS
U.S. Department of Education (Continued)				
Federal Programs Administered Through				
Maryland State Department of Education (cont.)				
Special Education Preschool Grants	17022801	84.181	\$ 7,000	
Special Education Preschool Grants	17022802	84.181	4,144	
<u>Infant and Toddlers</u>				
Special Education Grants for Infants and Families	16438201	84.181	11,059	
Special Education Grants for Infants and Families	17015601	84.181	96,181	
Total SPED Preschool and Infants and Families			118,384	
<u>Dept of Rehabilitation Services</u>				
Special Education Grants to States	17064701	84.126	3,080	
<u>Title II A Improving Teacher Quality:</u>				
Improving Teacher Quality State Grants	17096601	84.367	374,956	
Improving Teacher Quality State Grants	16531201	84.367	1,725	
Title IIA -PerK-2 Symposium	17154801	84.367	137	
Total Improving Teacher Quality			376,818	
<u>English Language Acquisition</u>				
English Language Acquisition Grants	16429302	84.365	4,086	
English Language Acquisition Grants	15442501	84.365	1,803	
English Language Acquisition Grants	16429301	84.365	12,085	
English Language Acquisition Grants	17049001	84.365	13,575	
English Language Acquisition Grants	16571201	84.365	5,662	
English Language Acquisition Grants	16427201	84.365	13,777	
Total English Language Acquisition Grants			50,988	
Total Federal Programs Administered Through				
Maryland State Department of Education			5,866,962	
U.S. Department of Agriculture:				
Federal Programs Administered Through				
Maryland State Department of Education				
Child Nutrition Cluster:				
Food Distribution-USDA Commodities	N/A	10.555	269,856	
USDA School Lunch	N/A	10.555	1,281,180	
Total School Lunch/Commodities			1,551,036	
USDA School Breakfast	N/A	10.553	282,651	
Summer Food Program	N/A	10.559	7,789	
Total Child Nutrition Cluster			1,841,476	
TOTAL FEDERAL AWARDS			\$ 9,276,472	

CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Calvert County Public Schools (CCPS), for the year ended June 30, 2017.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards has been prepared using the modified accrual basis of accounting. This basis of accounting is fully described in Note 1 to CCPS' basic financial statements.

NOTE 2 – RELATION TO FINANCIAL STATEMENTS AND FEDERAL FINANCIAL REPORTS

The following schedule reconciles the amounts per the financial statements to the amounts per the Schedule of Expenditures of Federal Awards for the year ended June 30, 2017:

REVENUE		
BALANCE PER FINANCIAL STATEMENTS		
Federal Revenues	\$	10,996,630
LESS		
U.S. Navy ROTC		(268,408)
Medical Assistance Revenue		(1,451,776)
Miscellaneous Adjustments		<u>26</u>
TOTAL PER SCHEDULE OF EXPENDITURS OF FEDERAL AWARDS	\$	<u><u>9,276,472</u></u>

NOTE 3 – INDIRECT COSTS

CCPS did not elect to use the 10% de minimis cost rate for indirect costs.

The notes are an integral part of the accompanying schedule.

**CALVERT COUNTY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2017**

I. SUMMARY OF INDEPENDENT AUDITOR'S 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(s) 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(s) identified that are not considered to be material weaknesses	___	Yes	___	<u>X</u>	None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 200.516?	___	Yes	___	<u>X</u>	No
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Identification of Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010 10.553, 10.555, 10.559 93.600	Title I Child Nutrition Cluster Head Start

Dollar threshold used to distinguish between type A and type B programs	<u>\$ 750,000</u>
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Auditee qualified as low-risk auditee?	___	Yes	___	<u>X</u>	No
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CALVERT COUNTY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2017

**II. FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED
IN ACCORDANCE WITH GENERALLY ACCEPTED *GOVERNMENT AUDITING STANDARDS***

None noted

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted



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**FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED
IN ACCORDANCE WITH GENERALLY ACCEPTED *GOVERNMENT AUDITING STANDARDS***

Finding 2016-001: Capital Assets

Certain capital asset additions and retirements that occurred in prior fiscal years were not properly recognized and accounted for by Calvert County Public Schools at the time of their occurrence.

Current Year Status: Resolved

Finding 2016-002: Short-term Investments

Certain short-term investments in the form of a money market account for Northern High School were not reported in the fiscal year 2015 Statement of Fiduciary Net Position.

Current Year Status: Resolved