

**BOARD OF EDUCATION OF
CARROLL COUNTY, MARYLAND**

REPORT ON SINGLE AUDIT

YEAR ENDED JUNE 30, 2020



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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

Board of Education of Carroll County
Westminster, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of Carroll County, Maryland (the Board), a component unit of Carroll County, Maryland as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated September 29, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 29, 2020



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
Board of Education of Carroll County
Westminster, Maryland

Report on Compliance for Each Major Federal Program

We have audited the Board of Education of Carroll County's (the Board) 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 Board's major federal programs for the year ended June 30, 2020. The Board'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 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 the Board'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 Board'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 Board's compliance.

Opinion on Each Major Federal Program

In our opinion, the Board 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, 2020.

Report on Internal Control Over Compliance

Management of the Board 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 Board'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 Board'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 Board as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements. We issued our report thereon dated September 29, 2020 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 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
March 12, 2021

BOARD OF EDUCATION OF CARROLL COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

Federal Grantor / Pass-Through	CFDA Number	Pass-through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Education				
Passed through the Maryland State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	200994-01	N/A	\$ 1,950,196
Title I Grants to Local Educational Agencies	84.010	190538-01	N/A	58,530
Title I Grants to Local Educational Agencies	84.010	200886-01	N/A	211,132
Total Title I Grants				2,219,858
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	200282-01	N/A	5,170,541
Special Education - Grants to States	84.027	181496-01	N/A	10,792
Special Education - Grants to States	84.027	181644-01	N/A	6,970
Special Education - Grants to States	84.027	201114-03	N/A	110,002
Special Education - Grants to States	84.027	201114-01	N/A	10,720
Special Education - Grants to States	84.027	200282-06	N/A	53,280
Special Education - Grants to States	84.027	200282-04	N/A	17,765
Special Education - Grants to States	84.027	200360-01	N/A	76,472
Special Education - Grants to States	84.027	181275-01	N/A	5,793
Special Education - Grants to States	84.027	190331-06	N/A	46,126
Special Education - Grants to States	84.027	190331-07	N/A	2,614
Special Education - Grants to States	84.027	200282-05	N/A	4,000
Special Education - Grants to States	84.027	190331-05	N/A	59,292
Special Education - Grants to States	84.027	201114-02	N/A	53,390
Special Education - Grants to States	84.027	200282-03	N/A	2,404
Special Education - Grants to States	84.027	200282-02	N/A	53,787
Total Special Education - Grants to States				5,683,948
Special Education - Preschool Grants	84.173	200326-01	N/A	172,066
Special Education - Preschool Grants	84.173	200326-02	N/A	455
Special Education - Preschool Grants	84.173	200448-01	N/A	7,000
Special Education - Preschool Grants	84.173	200448-02	N/A	6,230
Total Special Education - Preschool Grants				185,751
Total Special Education Cluster (IDEA)				5,869,699
Career and Technical Education - Basic Grants to States	84.048	200669-01	N/A	144,069
Career and Technical Education - Basic Grants to States	84.048	190407-01	N/A	1,400
Career and Technical Education - Basic Grants to States	84.048	200600-01	N/A	30,096
Total Career and Technical Education - Basic Grants to States				175,565
Career and Technical Education -- National Programs	84.051	200878-03	N/A	4,101
Special Education - Grants for Infants and Families	84.181	200469-01	N/A	195,227
Special Education - Grants for Infants and Families	84.181	200469-02	N/A	2,000
Total Special Education - Grants for Infants and Families				197,227
English Language Acquisition Grants	84.365	200747-02	N/A	3,444
English Language Acquisition Grants	84.365	200747-01	N/A	3,854
English Language Acquisition Grants	84.365	190365-01	N/A	21,172
English Language Acquisition Grants	84.365	191652-01	N/A	5,000
Total English Language Acquisition Grants				33,470
Supporting Effective Instruction State Grants	84.367	191354-01	N/A	162,074
Supporting Effective Instruction State Grants	84.367	201064-01	N/A	158,374
Supporting Effective Instruction State Grants	84.367	201536-01	N/A	45,000
Total Supporting Effective Instruction State Grants				365,448

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**BOARD OF EDUCATION OF CARROLL COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Federal Grantor / Pass-Through	CFDA Number	Pass-through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Education (Continued)				
Passed through the Maryland State Department of Education:				
Comprehensive Literacy Development	84.371	201253-01	N/A	\$ 347,673
Comprehensive Literacy Development	84.371	191080-01	N/A	<u>146,368</u>
Total Comprehensive Literacy Development				<u>494,041</u>
Statewide Longitudinal Data Systems	84.372	201125-01	N/A	2,913
Disability Innovation Fund	84.421	190892-01	N/A	21,159
Student Support and Academic Enrichment Program	84.424	201561-01	N/A	29,032
Student Support and Academic Enrichment Program	84.424	191289-01	N/A	<u>74,304</u>
Total Student Support and Academic Enrichment Program				<u>103,336</u>
Total U.S. Department of Education				<u>9,486,817</u>
U.S. Department of Agriculture				
Passed through the Maryland State Department of Education:				
Child Nutrition Cluster				
School Breakfast Program	10.553	None provided	N/A	456,127
National School Lunch Program	10.555	None provided	N/A	1,440,828
Commodities Contributed by Federal Government	10.555	None provided	N/A	626,172
Summer Food Service Program for Children	10.559	None provided	N/A	<u>1,180,775</u>
Total Child Nutrition Cluster				<u>3,703,902</u>
Child and Adult Care Food Program	10.558	None provided	N/A	148,143
Total U.S. Department of Agriculture				<u>3,852,045</u>
U.S. Department of Health and Human Services				
Passed through the Maryland Department of Health:				
Passed through the Carroll County Department of Health:				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104	CCHD PO 44851	N/A	78,706
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104	CCHD	N/A	<u>17,947</u>
Total Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances				<u>96,653</u>
Passed through the Maryland State Department of Education:				
Child Care and Development Block Grant	93.575	190837-01	N/A	44,051
Child Care and Development Block Grant	93.575	190836-01	N/A	<u>19,708</u>
Total Child Care and Development Block Grant				<u>63,759</u>
ESSA/Preschool Development Grants Birth-5	93.434	200565-01	N/A	<u>31,000</u>
Total U.S. Department of Health and Human Services				<u>191,412</u>
U.S. Department of the Treasury				
Passed through the Carroll County Health Department				
Coronavirus Relief Fund	21.019	None provided	N/A	<u>275,404</u>
Total Federal Expenditures				<u>\$ 13,805,678</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**BOARD OF EDUCATION OF CARROLL COUNTY, MARYLAND
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of the Board of Education of Carroll County (the Board) for the year ended June 30, 2020.

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 the Board's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, with the exception of CFA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

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, 2020:

	Governmental Funds
REVENUE	
BALANCE PER FINANCIAL STATEMENTS	
Federal Revenues	\$ 15,103,573
Less:	
Miscellaneous Adjustments	61,857
Medical Assistance Revenue	(1,359,752)
Total Per Schedule of Expenditures of Federal Awards	\$ 13,805,678

NOTE 3 INDIRECT COST RATE

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

**BOARD OF EDUCATION OF CARROLL COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X 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 X no

Identification of Major Federal Programs

CFDA Number(s)

84.027, 84.173
21.019

Name of Federal Program or Cluster

Special Education Cluster
Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

BOARD OF EDUCATION OF CARROLL COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

Section II – Financial Statement Findings

None

Section III – Findings and Questioned Costs – Major Federal Programs

None



Carroll County Public Schools

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Steven Lockard, Ph.D.
Superintendent

BOARD OF EDUCATION OF CARROLL COUNTY SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED JUNE 30, 2020

Department of Education

The Board of Education of Carroll County respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2020.

Audit period: July 1, 2019 – June 30, 2020

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

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2019 – 001 Comprehensive Literacy Development

Condition: The Board used budgetary expenditures in determining the amount of indirect costs charged to the grant, which resulting in the indirect costs exceeding the negotiated indirect cost rate provided by the Maryland State Department of Education as of June 30, 20219.

Status: Corrective action was taken, this finding has been corrected.

If the Department of Education has questions regarding this schedule, please call Andrew Sexton at 410-751-3083.