

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

**REPORT ON SINGLE AUDIT**

**YEAR ENDING JUNE 30, 2016**

**BOARD OF EDUCATION OF CARROLL COUNTY, MARYLAND  
TABLE OF CONTENTS  
YEAR ENDING JUNE 30, 2016**

<b>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 <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>1</b>
<b>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</b>	<b>3</b>
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>6</b>
<b>NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>9</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>10</b>
<b>SCHEDULE OF PRIOR YEAR FINDINGS QUESTIONED COSTS</b>	<b>12</b>



## CliftonLarsonAllen

### 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 Carroll County  
Westminster, Maryland 21157

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, 2016, 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 13, 2016.

#### **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 determination of financial statement amounts. However, providing an opinion on compliance with

Members of the Board  
of Education of Carroll County

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 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
September 13, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND  
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

Members of the Board of  
Education of 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, 2016. 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 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, 2016.

### **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 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 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 result of that testing based on the requirements of 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, 2016, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements. We issued our report thereon dated September 13, 2016, 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

Members of the Board of  
Education of Carroll County

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 expenditure 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 13, 2016

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2016**

Federal Grantor / Pass-Through	CFDA Number	Pass-through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
<b>U.S. Department of Education</b>				
Passed through the Maryland State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	154356-01	N/A	\$ 209,277
Title I Grants to Local Educational Agencies	84.010	165110-01	N/A	2,001,915
Title I Grants to Local Educational Agencies	84.010	144485-01	N/A	676
Title I Grants to Local Educational Agencies	84.010	165593-01	N/A	350
Title I Grants to Local Educational Agencies	84.010	155003-01	N/A	109
Title I Grants to Local Educational Agencies	84.010	165154-01	N/A	85,687
Title I Grants to Local Educational Agencies	84.010	155233-01	N/A	<u>126</u>
Total Title I Grants				<u>2,298,140</u>
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	164715-01	N/A	4,936,428
Special Education - Grants to States	84.027	R00P5402322	N/A	2,712
Special Education - Grants to States	84.027	164714-02	N/A	25,790
Special Education - Grants to States	84.027	164714-01	N/A	51,540
Special Education - Grants to States	84.027	16471504	N/A	138,077
Special Education - Grants to States	84.027	155359-01	N/A	1,816
Special Education - Grants to States	84.027	164715-02	N/A	39,452
Special Education - Grants to States	84.027	164715-03	N/A	2,500
Special Education - Grants to States	84.027	164498-01	N/A	71,818
Special Education - Grants to States	84.027	155583-01	N/A	16,231
Special Education - Grants to States	84.027	164495-02	N/A	36,109
Special Education - Grants to States	84.027	144280-02	N/A	(4)
Special Education - Preschool Grants	84.173	164713-01	N/A	164,650
Special Education - Preschool Grants	84.173	164713-02	N/A	922
Special Education - Preschool Grants	84.173	164497-01	N/A	7,000
Special Education - Preschool Grants	84.173	164497-02	N/A	<u>6,026</u>
Total Special Education Cluster (IDEA)				<u>5,501,067</u>
Career and Technical Education - Basic Grants to States				
Career and Technical Education - Basic Grants to States	84.048	165047-01	N/A	158,467
Career and Technical Education - Basic Grants to States	84.048	164975-01	N/A	33,812
Career and Technical Education - Basic Grants to States	84.048	155518-01	N/A	<u>1,351</u>
Total Career and Technical Education - Basic Grants to States				<u>193,630</u>
Special Education - Grants for Infants and Families	84.181	164450-01	N/A	<u>155,521</u>
English Language Acquisition Grants				
English Language Acquisition Grants	84.365	164294-01	N/A	35,324
English Language Acquisition Grants	84.365	154427-01	N/A	14,216
English Language Acquisition Grants	84.365	164294-02	N/A	4,993
English Language Acquisition Grants	84.365	155428-01	N/A	6,000
English Language Acquisition Grants	84.365	164259-01	N/A	<u>28,337</u>
Total English Language Acquisition Grants				<u>88,870</u>
Mathematics and Science Partnerships	84.366	1606A004	N/A	<u>8,878</u>

The accompanying notes are an integral part of this Schedule.

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2016**  
**(CONTINUED)**

Federal Grantor / Pass-Through	CFDA Number	Pass-through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
<b>U.S. Department of Education (Continued)</b>				
Passed through the Maryland State Department of Education:				
Improving Teacher Quality State Grants	84.367	165314-01	N/A	\$ 435,086
Improving Teacher Quality State Grants	84.367	154934-01	N/A	176,475
Improving Teacher Quality State Grants	84.367	164460-01	N/A	871
Improving Teacher Quality State Grants	84.367	164773-01	N/A	<u>203</u>
Total Improving Teacher Quality State Grants				<u>612,635</u>
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants - Recovery Act	84.395	155646-01	N/A	78,251
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants - Recovery Act	84.395	164189-01	N/A	<u>9,000</u>
Total State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants				<u>87,251</u>
Race to the Top – Early Learning Challenge - Recovery Act	84.412	154690-02	N/A	305
Race to the Top – Early Learning Challenge - Recovery Act	84.412	145133-01	N/A	<u>15,309</u>
Total Race to the Top - Early Learning Challenge				<u>15,614</u>
Preschool Development Grants	84.419	164924-01	N/A	116,279
Preschool Development Grants	84.419	164964-01	N/A	<u>148,500</u>
Total Preschool Development Grants				<u>264,779</u>
Total U.S. Department of Education				<u>9,226,385</u>
<b>U.S. Department of Agriculture</b>				
Passed through the Maryland State Department of Education:				
State Administrative Expenses for Child Nutrition	10.560	154325-01	N/A	<u>3,308</u>
Child Nutrition Discretionary Grants Limited Availability	10.579	164829-01	N/A	<u>31,645</u>
Child Nutrition Cluster				
School Breakfast Program	10.553	None provided	N/A	625,264
National School Lunch Program	10.555	None provided	N/A	2,495,984
Child and Adult Care Food Program	10.558	None provided	N/A	11,117
Summer Food Service Program for Children	10.559	None provided	N/A	<u>4,316</u>
Total Child Nutrition Cluster				<u>3,136,681</u>
Passed through the Maryland Department of Natural Resources:				
Forest Stewardship Program	10.678	1506A004	N/A	<u>2,486</u>
Direct from the US Department of Agriculture Rural Housing Service:				
Community Facilities Loans and Grants	10.766	N/A	N/A	<u>11,800</u>
Total U.S. Department of Agriculture				<u>3,185,920</u>

*The accompanying notes are an integral part of this Schedule.*  
(7)

**BOARD OF EDUCATION OF CARROLL COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

Federal Grantor / Pass-Through	Number	Identifying Number	Subrecipients	Expenditures
<b>U.S. Department of Health and Human Services</b>				
Passed through the Maryland State Department of Education				
Child Care and Development Block Grant	93.575	165838-01	N/A	\$ 30,370
Child Care and Development Block Grant	93.575	165837-01	N/A	<u>16,500</u>
Total Child Care and Development Block Grant				<u>46,870</u>
Total U.S. Department of Health and Human Services				<u>46,870</u>
<b>U.S. Department of Homeland Security</b>				
Passed through the Maryland Department of the Military				
Disaster Grants - Public Assistance	97.036	PA-03_MD-4261-PW-00012	N/A	<u>120,813</u>
Total U.S. Department of Homeland Security				<u>120,813</u>
<b>Total Federal Expenditures</b>				<u>\$ 12,579,988</u>

*The accompanying notes are an integral part of this Schedule.*

**BOARD OF EDUCATION OF CARROLL COUNTY  
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 JUNE 30, 2016**

**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 for the year ended June 30, 2016.

**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.

**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, 2016:

	Governmental Funds
<b>REVENUE</b>	
<b>BALANCE PER FINANCIAL STATEMENTS</b>	
Federal revenues	\$ 13,654,367
<b>LESS</b>	
Miscellaneous adjustments	61,230
Medical assistance revenue	<u>(1,135,609)</u>
<b>TOTAL PER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	 <u><u>\$ 12,579,988</u></u>

**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  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2016**

**I. SUMMARY OF INDEPENDENT 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 federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	Yes	_____	X	No
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**Identification of Major Programs**

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
Special Education Cluster	84.027, 84.173
Dollar threshold used to distinguish between type A and type B programs	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	_____ Yes _____ X No

**BOARD OF EDUCATION OF CARROLL COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2016**

**II. FINANCIAL STATEMENT FINDINGS**

None.

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**BOARD OF EDUCATION OF CARROLL COUNTY  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2016**

***Finding 2015-001: Compensated Absences***

**Current status:** Fully corrected. The corrective measures have been put in place.