

CALVERT COUNTY PUBLIC SCHOOLS

**Single Audit Together with
Reports of Independent Public Accountants**

For the Year Ended June 30, 2023

CALVERT COUNTY PUBLIC SCHOOLS

Single Audit Together with Reports of Independent Public Accountants

JUNE 30, 2023

CONTENTS

| | |
|---|----|
| REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS | 1 |
| REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS 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> | 5 |
| REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROLS OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE | 7 |
| Schedule of Expenditures of Federal Awards | 10 |
| Notes to the Schedule of Expenditures of Federal Awards | 16 |
| Schedule of Findings and Questioned Costs | 18 |
| Schedule of Corrective Action Plan | 21 |
| Schedule of Prior Year Audit Findings | 22 |



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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

Board of Education
of Calvert County
Calvert County Public Schools
Prince Frederick, Maryland

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Calvert County Board of Education (CCPS or the Board), a component unit of Calvert County, Maryland, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Calvert County Public Schools, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CCPS's ability to continue as a going concern for one year beyond the date that the financial statements are available for issue, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CCPS's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CCPS's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal controls-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of revenues, expenditures and encumbrances budget to actual general fund - unrestricted and restricted, reconciliation of differences between budgetary inflows and outflows and GAAP basis revenues and expenditures- general fund, schedule of proportionate share of net pension liability Maryland State Retirement and Pension System, schedule



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of contributions Maryland State Retirement and Pension System, notes to the schedule of proportionate share of net pension liability and schedule of contributions Maryland State Retirement and Pension System, schedule of changes in net OPEB plan liability and related ratios, and the schedule of OPEB Plan contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Calvert County Public Schools' basic financial statements. The schedule of revenues, expenditures, encumbrances budget to actual general fund, and schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023 on our consideration of the Board’s internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board’s internal controls over financial reporting and compliance.

Owings Mills, Maryland
September 29, 2023

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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS
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 Calvert County, Maryland
Calvert County, Maryland

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of Calvert County, Maryland (the Board) as of and for the year ended June 30, 2023, 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, 2023.

Report on Internal Controls over Financial Reporting

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

A *deficiency in internal controls* 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 controls, 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 controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal controls that we consider to be material weaknesses. We identified a deficiency in internal controls, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency as item 2023-001.



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Report on 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*.

The Board's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Board's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Board's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Owings Mills, Maryland
September 29, 2023

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROLS OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

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

Opinion on Each Major Federal Program

We have audited the Board of Education of Calvert County, Maryland's (the Board) 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 Board's major federal programs for the year ended June 30, 2023. The Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board 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, 2023.

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 (*Government Auditing Standards*); 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Board 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 Board's compliance with the compliance requirements referred to above.



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 controls over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Board's federal programs.

Auditor's 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 Board'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 controls. 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 Board'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 Board'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 Board's internal controls 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 controls over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal controls 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 controls over compliance that we identified during the audit.



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Report on Internal Controls Over Compliance

A deficiency in internal controls over compliance exists when the design or operation of a controls 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 controls over compliance* is a deficiency, or a combination of deficiencies, in internal controls 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 controls over compliance* is a deficiency, or a combination of deficiencies, in internal controls over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal controls over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal controls over compliance that might be material weaknesses or significant deficiencies in internal controls over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal controls 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 controls over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal controls over compliance is solely to describe the scope of our testing of internal controls 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.

Owings Mills, Maryland
December 22, 2023

A handwritten signature in black ink that reads "SB & Company, LLC" in a cursive, stylized font.

CALVERT COUNTY PUBLIC SCHOOLS

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

| <u>Federal Agency, Pass-through Entity, Federal Program or Cluster Title</u> | <u>Federal Assistance Listing Number</u> | <u>Pass-Through Entity Identifying</u> | <u>Federal Expenditures</u> | <u>Passed through to subrecipients</u> |
|--|--|--|-----------------------------|--|
| U.S. Department of Agriculture: | | | | |
| <u>Passed through the Maryland State Dept. of Education:</u> | | | | |
| Child Nutrition Cluster | | | | |
| Food Distribution-USDA Commodities | 10.555 | N/A | \$ 441,083 | \$ - |
| Summer Food Program - Breakfast | 10.553 | N/A | 317,095 | - |
| Summer Food Program - Lunch | 10.555 | N/A | 1,726,354 | - |
| Summer Food Program | 10.559 | N/A | 303,852 | - |
| Summer Food Program (June 2023 + July & Aug. 2022) | 10.559 | N/A | 8,535 | - |
| Total Child Nutrition Cluster | | | <u>2,796,919</u> | <u>-</u> |
| Total Department of Agriculture | | | <u>2,796,919</u> | <u>-</u> |
| U.S. Department of Treasury: | | | | |
| <u>Passed through the Maryland State Dept. of Education:</u> | | | | |
| COVID -19 Trauma and Behavioral Health I | 21.027 | 21176201 | 55,403 | - |
| COVID -19 Trauma and Behavioral Health II | 21.027 | 21189901 | 58,573 | - |
| COVID -19 Summer School Grant II | 21.027 | 21187301 | 103,232 | - |
| COVID -19 Supplemental Instruction and Tutoring Grant | 21.027 | 21184001 | 327,178 | - |
| Total U.S. Department of Treasury | | | <u>544,386</u> | <u>-</u> |

CALVERT COUNTY PUBLIC SCHOOLS

**Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2023**

| <u>Federal Agency, Pass-through Entity, Federal Program or Cluster Title</u> | <u>Federal Assistance Listing Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Federal Expenditures</u> | <u>Passed through to subrecipients</u> |
|--|--|---|-----------------------------|--|
| U.S. Department of Education: | | | | |
| <u>Passed through the Maryland State Dept. of Education:</u> | | | | |
| Title I Educationally Deprived | 84.010 | 23124401 | 1,266,111 | - |
| Title I Educationally Deprived | 84.010 | 22151101 | 470,406 | - |
| Title I Educationally Deprived | 84.010 | 21109101 | 31,644 | - |
| Total Program | | | <u>1,768,161</u> | <u>-</u> |
| Special Education Cluster (IDEA) | | | | |
| SPED Pass Thru | 84.027 | 23078301 | 2,098,898 | - |
| SPED Pass Thru | 84.027 | 22040406 | 950,241 | - |
| SPED Advisory Com | 84.027 | 23078304 | 2,008 | - |
| SPED Advisory Com | 84.027 | 22040409 | 157 | - |
| SPED Early Childhood | 84.027 | 23109001 | 6,646 | - |
| SPED Early Childhood | 84.027 | 22132101 | 10,541 | - |
| SPED Early Childhood | 84.027 | 21101501 | 4,447 | - |
| I & T PART B 611 | 84.027 | 23059101 | 24,540 | - |
| I & T PART C CO | 84.027 | 22016001 | 2,381 | - |
| SPED Pass Thru | 84.027 | 23078302 | 37,247 | - |
| SE - Family Partner | 84.027 | 23078305 | 14,550 | - |
| SE - Family Partner | 84.027 | 22040410 | 7,281 | - |
| SD Secondary Transt | 84.027 | 23109002 | 42,353 | - |
| SD Secondary Transt | 84.027 | 22132102 | 16,708 | - |

CALVERT COUNTY PUBLIC SCHOOLS

**Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2023**

| <u>Federal Agency, Pass-through Entity, Federal Program or Cluster Title</u> | <u>Federal Assistance Listing Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Federal Expenditures</u> | <u>Passed through to subrecipients</u> |
|--|--|---|-----------------------------|--|
| U.S. Department of Education: (continued) | | | | |
| <u>Passed through the Maryland State Dept. of Education: (continued)</u> | | | | |
| Special Education Cluster (IDEA) (continued) | | | | |
| SPED - AEP-LIPG | 84.027 | 21101502 | 156,462 | - |
| SPED AEP-LIPG CO | 84.027 | 22132103 | 3,596 | - |
| Passthrough CCEIS D | 84.027 | 22132103 | 154,838 | - |
| Passthrough CCEIS D | 84.027 | 22040408 | 402,209 | - |
| Passthrough CCEIS Y3 | 84.027 | 21045103 | 9,205 | - |
| ARP passthrough | 84.027 | 22126801 | 220,542 | - |
| ARP PT CCEIS | 84.027 | 22126803 | 7,446 | - |
| ARP PRE SCH PT | 84.027 | 22124401 | 22,596 | - |
| IND. W/DIS EDU.ACT. | 84.027 | 22122101 | 31,735 | - |
| MITP APR CLIG PART | 84.027 | 22191701 | 26,361 | - |
| Early Child Extd IF | 84.027 | 22174202 | 11,097 | - |
| SE Preschool PT CY | 84.173 | 23063901 | 68,777 | - |
| SE Preschool PT PY | 84.173 | 22037001 | 1,583 | - |
| I & T PART B CO | 84.173 | 23063801 | 6,922 | - |
| I&T PART B619 Exten | 84.173 | 23063802 | 4,047 | - |
| Pre-School Pass Thru | 84.173 | 23063902 | 1,479 | - |
| Infants & Toddlers Program | 84.181 | 22013601 | 46,394 | - |
| Infants & Toddlers Program | 84.181 | 23041501 | 90,022 | - |
| Total Special Education Cluster (IDEA) | | | <u>4,483,307</u> | <u>-</u> |
| <u>Direct Program:</u> | | | | |
| Impact Aid | 84.041 | N/A | <u>540,800</u> | <u>-</u> |

CALVERT COUNTY PUBLIC SCHOOLS

**Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2023**

| <u>Federal Agency, Pass-through Entity, Federal Program or Cluster Title</u> | <u>Federal Assistance Listing Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Federal Expenditures</u> | <u>Passed through to subrecipients</u> |
|--|--|---|-----------------------------|--|
| U.S. Department of Education: (continued) | | | | |
| Passed through the Maryland State Dept. of Education: | | | | |
| Perkins (Program Improvement) | 84.048 | 23009401 | 121,184 | - |
| Perkins (Program Improvement) | 84.048 | 23010901 | 31,687 | - |
| Total Program | | | <u>152,871</u> | <u>-</u> |
| Summer Youth Employment - DORS | 84.126 | 22191101 | <u>22,676</u> | <u>-</u> |
| Homeless Education | 84.196 | 23123301 | 4,015 | - |
| Homeless Education | 84.196 | 22157401 | <u>7,424</u> | <u>-</u> |
| Total Program | | | <u>11,438</u> | <u>-</u> |
| Title III - State Form | 84.365 | 22067602 | 12,749 | - |
| Title III ELL | 84.365 | 23044202 | 8,435 | - |
| Title III ELL CY | 84.365 | 20074901 | 11,344 | - |
| Title III ELA | 84.365 | 21047801 | 2,505 | - |
| TITLE III ELL CY | 84.365 | 23044203 | 341 | - |
| Title III (Immigrant) | 84.365 | 22067601 | <u>16,194</u> | <u>-</u> |
| Total Program | | | <u>51,567</u> | <u>-</u> |
| Title II Part A | 84.367 | 23069701 | 3,886 | - |
| Title II Part A | 84.367 | 22104601 | 65,807 | - |
| Title II Part A | 84.367 | 21078001 | <u>149,849</u> | <u>-</u> |
| Total Program | | | <u>219,543</u> | <u>-</u> |

CALVERT COUNTY PUBLIC SCHOOLS

**Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2023**

| <u>Federal Agency, Pass-through Entity, Federal Program or Cluster Title</u> | <u>Federal Assistance Listing Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Federal Expenditures</u> | <u>Passed through to subrecipients</u> |
|--|--|---|-----------------------------|--|
| U.S. Department of Education: (continued) | | | | |
| Title IV, Part A | 84.424 | 23125001 | 44,012 | - |
| Title IV, Part A | 84.424 | 22152501 | 60,725 | - |
| Title IV, Part A | 84.424 | 21138001 | 6,034 | - |
| Title IV, Part A | 84.424 | 20156001 | 500 | - |
| Total Program | | | <u>111,271</u> | <u>-</u> |
| COVID-19 ESF II | 84.425 | 20213601 | 2,078,068 | - |
| COVID-19 ESF III | 84.425 | 21195001 | 3,381,525 | - |
| American Rescue Plan - LEA Maryland Leads | 84.425 | 22185601 | 2,302,574 | - |
| Achieving Academis Equity for Black Boys | 84.425 | 21173401 | 50,192 | - |
| Achieving Academis Equity for Black Boys | 84.425 | 23127501 | 5,173 | - |
| Expanding Advanced Placement Opportunities for Low-Income Students | 84.425 | 22135801 | 11,504 | - |
| American Rescue Plan Homeless Children and Youth Funds II | 84.425 | 22190701 | 6,845 | - |
| ESSER - Reopening Schools Incentive Grant | 84.425 | 20205701 | 49,249 | - |
| Total Program | | | <u>7,885,130</u> | <u>-</u> |
| Total U.S. Department of Education | | | <u>15,246,765</u> | <u>-</u> |
| U.S. Department of Health and Human Services: | | | | |
| <u>Direct Program</u> | | | | |
| Head Start Year 9 Funds - 03CH10879-05 | 93.600 | N/A | 475,526 | - |
| Head Start Year 9 T & TA Funds - 03CH10879-05 | 93.600 | N/A | 4,116 | - |
| Head Start Year 10 Funds - 03CH10879-04 | 93.600 | N/A | 1,394,582 | - |
| Head Start Year 10 T & TA Funds - 03CH10879-04 | 93.600 | N/A | 28,035 | - |
| Head Start Year 10 - Equipment-03CH10879-04 | 93.600 | N/A | 289,059 | - |
| COVID-19 Head Start - Head Start - Emergency/ARPA - 03HE000735-01-01 | 93.600 | N/A | 216,464 | - |
| Total Program | | | <u>2,407,783</u> | <u>-</u> |

CALVERT COUNTY PUBLIC SCHOOLS

**Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2023**

| <u>Federal Agency, Pass-through Entity, Federal Program or Cluster Title</u> | <u>Federal Assistance Listing Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Federal Expenditures</u> | <u>Passed through to subrecipients</u> |
|--|--|---|-----------------------------|--|
| U.S. Department of Health and Human Services: (continued) | | | | |
| <u>Passed through the Maryland State Dept. of Education:</u> | | | | |
| Medicaid Carryover | 93.unknown | Medicaid | 1,028,567 | - |
| I & T Medicaid PY | 93.unknown | Medicaid | 13,454 | - |
| SPED IATC | 93.unknown | 2204C538 | 285 | - |
| Medical Assistance | | | <u>1,042,305</u> | <u>-</u> |
| Total U.S. Department of Health and Human Services | | | <u>3,450,088</u> | <u>-</u> |
| Federal Funds Received Through Non-MSDE: | | | | |
| SEED Grant - STEAM - YR 1 of 5 | 84.351 | N/A | 106,597 | - |
| SEED Grant - STEAM - YR 2 of 5 | 84.351 | NA | <u>429,247</u> | <u>-</u> |
| Medical Assistance | | | <u>535,843</u> | <u>-</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 22,574,001</u> | <u>\$ -</u> |

CALVERT COUNTY PUBLIC SCHOOLS

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

All federal grant operations of the Board are included in the scope of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the major grant programs noted below. The programs on the Schedule of Expenditures of Federal Awards represent all federal award programs with fiscal year 2023, cash or non-cash expenditure activities. For single audit testing, we tested to ensure coverage of at least 20% of federally granted funds. Actual coverage was 53%.

Expenditures reported on the Schedule of Expenditures of Federal Awards are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

| <u>Major Programs</u> | <u>Federal Assistance Listing</u> | <u>Federal Expenditures</u> |
|--|---|---------------------------------|
| Title I Educationally Deprived | 84.010 | \$ 1,768,161 |
| Education Stabilization Funds - COVID 19 | 84.425 | 7,885,130 |
| Head Start Program | 93.600 | <u>2,407,783</u> |
| Total | | <u>\$ 12,061,074</u> |

2. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

CALVERT COUNTY PUBLIC SCHOOLS

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

3. RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

Total expenditures per the Schedule of Expenditures of Federal Awards reconcile to the Board's basic financial statements as follows:

Revenues per the Statement of Revenues, Expenditures and Changes in Fund in Balances

| | |
|--|-----------------------------|
| Federal - General Fund | \$ 20,035,174 |
| Federal - Food Services | <u>2,788,384</u> |
| Total per Financial Statements | 22,823,558 |
| Less: | |
| US Navy ROTC Revenue | (248,796) |
| Miscellaneous Adjustment | <u>(761)</u> |
| Total expenditures per Schedule of Expenditures of Federal Awards | <u>\$ 22,574,001</u> |

CALVERT COUNTY PUBLIC SCHOOLS

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section I- Summary of Independent Public Accountants' Results

Financial Statements

Type of Independent Public Accountant's Report Issued Unmodified

Internal controls over financial reporting:

Material weakness (es) identified? No

Significant deficiency(ies) identified? Yes

Noncompliance material to the financial statements noted? No

Federal Awards

Type of Independent Public Accountants' Report issued on compliance for major program Unmodified

Internal controls over major programs:

Material weakness (es) identified? No

Significant deficiency(ies) identified? None Reported

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance No

Identification of Major Programs:

| <u>Major Programs</u> | <u>Federal Assistance Listing</u> | <u>Federal Expenditures</u> |
|--|-----------------------------------|-----------------------------|
| Title I Educationally Deprived | 84.010 | \$ 1,768,161 |
| Education Stabilization Funds - COVID 19 | 84.425 | 7,885,130 |
| Head Start Program | 93.600 | 2,407,783 |
| Total Major Programs | | \$ 12,061,074 |

Threshold for distinguishing between Type A and B programs \$ 750,000

Auditee qualified as low risk auditee? Yes

CALVERT COUNTY PUBLIC SCHOOLS

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section II –Financial Statement Findings

2023-001.

Section III –Federal Award Findings

None noted.

CALVERT COUNTY PUBLIC SCHOOLS

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Type of Finding – Significant Deficiency over Financial Reporting

Repeat Finding: No

2023-001

Criteria:

The Board must maintain an adequate system of internal control over financial reporting in order to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted governmental accounting standards as established by the Governmental Accounting Standards Board (GASB).

Condition:

During our testing of construction in process (CIP), we noted that CIP was understated within the entity wide financial statements by \$5,487,053.

Cause:

The Board did not properly evaluate capital outlay cost to determine the completeness of CIP.

Effect:

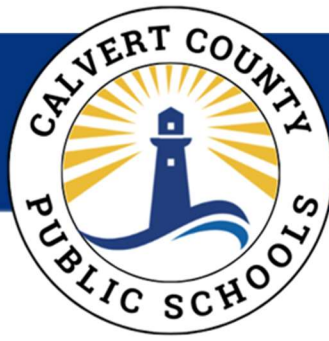
The fixed asset amount on the entity wide financial statements, before the audit adjustment, was understated.

Recommendation:

We suggest the Board ensures all fixed asset accounts are properly reconciled to fund level activity as part of the closing process. We recommend the Board evaluate roles and responsibilities of the personnel within the department as to whom will perform the reconciliation as well as review it for accuracy.

Auditee Response and Corrective Action Plan:

Management concurs, and management will build in a new review step as part of the fixed asset note preparation for the next audit.



December 21, 2023

Maryland State Department of Education:

Calvert County Public Schools respectfully submits the following corrective action plan for the fiscal year ended June 30, 2023.

Type of Finding – Significant Deficiency over Financial Reporting

2023-001 Accounting for Construction in Progress

Auditor’s Recommendation: We suggest the Board ensures all fixed asset accounts are properly reconciled to fund level activity as part of the closing process. We recommend the Board evaluate roles and responsibilities of the personnel within the department as to whom will perform the reconciliation as well as review it for accuracy.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding:

At least two members of the finance team will review the fiscal year-end construction in progress (CIP) amount as part of the audit preparation project.

Name(s) of the contact person(s) responsible for corrective action:

Scott Johnson

Planned completion date for corrective action plan:

September 30, 2024

If the Maryland State Department of Education has any questions regarding this plan, please call Scott Johnson, CFO, at 443-550-8200.

CALVERT COUNTY PUBLIC SCHOOLS

**Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2023**

2022-001

Federal Agency: U.S. Department of Treasury and U.S. Department of Agriculture Federal

Program Name: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) and Child Nutrition Cluster (CNC)

Assistance Listing Number: 21.027 and 10.553/10.555/10.559

Federal Award ID Number (FAIN) and Year: S425D2000005, 2021- 2024 (CLFRF), and 2022 (CNC)

Pass-Through Agency: Maryland State Department of Education

Pass-Through Number(s): 21176201, 21189901, 21181601, 21187301, 21177401, 21188801, 21184001(CSLFRF) and CNC: none

Award Period: March 3, 2021, through - December 31, 2024 (CLFRF) and July 1, 2021, through June 30, 2022 (CNC)

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Compliance: Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215. When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA), (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

CALVERT COUNTY PUBLIC SCHOOLS

Schedule of Prior Year Audit Findings (continued) For the Year Ended June 30, 2023

2022-001 (continued)

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition: During testing, we noted the schools did not maintain documentation to support vendor’s suspension and debarment status. The school’s procurement procedures and annual procurement updates advise employees to verify the vendor’s suspension and debarment status, but evidence of the review is not maintained. CLA was not able to determine if the vendor was not suspended or debarred prior to contracting with the schools. The auditor was able to confirm that the vendor was not identified as suspended or debarred via SAMs.gov during the audit.

Questioned costs: None

Context: During testing, two of the five CNC vendors and four of the four CSLFRF vendors did not have documentation of their suspension or debarment status prior to the school’s contracting with the vendor.

Cause: The client was aware of the requirement and ensured communication of the requirement was provided to the schools’ employees but did not maintain documentation of the review.

2023 Update: Finding has been resolved.