

**FREDERICK COUNTY, MARYLAND
OFFICE FOR CHILDREN AND FAMILIES**

**Schedule of Expenditures of Awards Together with
Report of Independent Public Accountants**

For the Year Ended June 30, 2016



SB & COMPANY, LLC
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JUNE 30, 2016

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the County Executive and County Council
Office for Children and Families

Report on the Schedule

We have audited the accompanying schedule of expenditures of awards (the Schedule) of the Frederick County, Maryland, Office for Children and Families (the Organization) for the year ended June 30, 2016, and the related notes to the Schedule.

Management's Responsibility for the Schedule

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedule referred to above presents fairly, in all material respects, the expenditures of the Organization for the year ended June 30, 2016, in conformity with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Frederick County, Maryland as of and for the year ended June 30, 2016, and our report thereon, dated November 21, 2016, expressed an unmodified opinion on those financial statements.

Hunt Valley, MD
December 27, 2016

**FREDERICK COUNTY, MARYLAND
OFFICE FOR CHILDREN AND FAMILIES**

**Schedule of Expenditures of Awards
For the Year Ended June 30, 2016**

FEDERAL DEPARTMENT/ PASS THROUGH GRANT OR PROGRAM TITLE	FEDERAL CFDA NUMBER	PROJECT PERIOD	TOTAL GRANT AWARD	ACCRUED (DEFERRED) 7/1/2015	GRANT FUNDS RECEIVED 7/1/2015 TO 6/30/2016	GRANT FUNDS RETURNED TO STATE	LOCAL & OTHER CONTRIBUTIONS	NET EXPENDITURES	ACCRUED (DEFERRED) GRANT REVENUE 6/30/2016
State of Maryland Subcabinet Funds - Community Partnership Agreement- Governor's Office for Children, Youth, and Families									
Office for Children & Fam Admin	n/a	07/01/14 - 06/30/15	\$ 65,000	\$ 9,173	\$ 10,823	\$ -	\$ -	\$ -	\$ (1,650)
Office for Children & Fam Admin	n/a	07/01/15 - 06/30/16	65,000	-	65,000	-	95,852	159,133	(1,719)
Intergrated Systems of Care	n/a	07/01/14 - 06/30/15	166,619	27,769	27,769	-	-	-	-
Intergrated Systems of Care	n/a	07/01/15 - 06/30/16	88,030	-	88,030	-	-	88,030	-
Out of School Time	n/a	07/01/14 - 06/30/15	133,547	22,257	22,257	-	-	-	-
Out of School Time	n/a	07/01/15 - 06/30/16	133,547	-	133,547	-	124,779	258,326	-
Juvenile Entry Diversion Initiative	n/a	07/01/14 - 06/30/15	107,026	17,839	17,839	-	-	-	-
Juvenile Entry Diversion Initiative	n/a	07/01/15 - 06/30/16	107,026	-	107,026	-	-	107,026	-
Resource Development Grant	n/a	07/01/15 - 09/30/16	65,000	-	65,000	-	-	26,135	(38,865)
Total Subcabinet Award- Community Partnership Agreement			930,795	77,038	537,291	-	220,631	638,650	(42,234)
Earned Reinvestment									
Earned Reinvestment- Liability acct	n/a		-	(34,417)	(15,435)	-	-	-	(18,982)
Earned Reinvestment- Out of School Project	n/a	03/02/15 -12/31/15	15,225	-	6,283	-	-	6,283	-
Earned Reinvestment- Healthy Families Project	n/a	03/02/15 -12/31/15	10,520	-	9,152	-	-	9,152	-
Total Earned Reinvestment			25,745	(34,417)	-	-	-	15,435	(18,982)
Other Grants									
Maryland State Department of Education-Healthy Families	n/a	07/01/14 - 06/30/15	310,740	10,588	10,588	-	-	-	-
Maryland State Department of Education-Healthy Families	n/a	07/01/15 - 06/30/16	310,740	-	310,740	-	28,715	339,455	-
School Climate Grant	n/a	07/01/14 - 06/30/15	10,000	(3)	-	3	-	-	-
Total Other Grants			631,480	10,585	321,328	3	28,715	339,455	-
TOTAL			\$ 1,588,020	\$ 53,206	\$ 858,619	\$ 3	\$ 249,346	\$ 993,540	\$ (61,216)

The accompanying notes are an integral part of this schedule.

**FREDERICK COUNTY, MARYLAND
OFFICE FOR CHILDREN AND FAMILIES**

**Notes to the Schedule of Expenditures of Awards
June 30, 2016**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

Organization

The Frederick County Office for Children and Families (the Organization) is a department within the Citizen Services Division of Frederick County Government. The Organization is dedicated to creating a more efficient and effective system of care for children and families of Frederick County (the County). The Organization is also the Frederick County's Local Management Board (LMB), which oversees services to children and families in an effort to minimize duplication of services.

The Frederick County Accounting Department maintains the primary records for grant monies. The transactions of these grants and entitlements are reported in governmental funds of the County and are, therefore, accounted for on the modified accrual basis of accounting. The costs incurred relative to these grants are reported in the special revenue fund, a fund within the general purpose financial statements of the County, along with the related grant revenue.

Basis of Accounting

The accompanying schedule of expenditures of awards (the Schedule) has been presented to inform County officials, grantor agencies, and other users of grant information of the sources and uses of grant funds for the year ended June 30, 2016. This Schedule has been prepared in accordance with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The modified accrual basis of accounting is used by governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Because this Schedule is presented on the basis of accounting described above, certain amounts will not agree with those reported in the governmental funds of the County in its general purpose financial statements.

**FREDERICK COUNTY, MARYLAND
OFFICE FOR CHILDREN AND FAMILIES**

**Notes to the Schedule of Expenditures of Awards
June 30, 2016**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (continued)**

Accrued and Deferred Reimbursements

Various reimbursement procedures are used for grants received by the County. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the fiscal year. Accrued balances at year-end represent an excess of reimbursed expenditures over cash receipts to date. Deferred balances at year-end represent an excess of cash receipts over reimbursable expenditures to date. Generally, accrued or deferred balances caused by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period or subsequent fiscal year. Amounts appearing in the "Accrued (Deferred) 7/1/2015" column in some instances include carryover funds from the previous grant year.

2. CONTINGENCIES

Revenue from grants is recognized only to the extent of actual expenses incurred in compliance with those grants.

Reimbursed costs under the Organization's awards are subject to final determination allowable by the government agency. Until such audits have been completed and a final settlement is reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.