

Montgomery County Public Schools
Rockville, Maryland

**OMB CIRCULAR A-133
SUPPLEMENTAL FINANCIAL REPORT**

Year Ended June 30, 2009

MONTGOMERY COUNTY PUBLIC SCHOOLS
OMB Circular A-133 Supplemental Financial Report
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Year Ended June 30, 2009

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**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***

Board of Education
of Montgomery County, Maryland
Rockville, Maryland

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Montgomery County Public Schools as of and for the year ended June 30, 2009, which collectively comprise Montgomery County Public Schools' basic financial statements and have issued our report thereon dated September 25, 2009. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Montgomery County Public Schools' internal control over financial reporting as a basis for designing our auditing procedures 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 Montgomery County Public Schools' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Montgomery County Public Schools' internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Baltimore, Maryland
September 25, 2009



**Independent Auditor's Report on Compliance With Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance and Schedule of Expenditures of Federal Awards
in Accordance With OMB Circular A-133**

Board of Education
of Montgomery County, Maryland
Rockville, Maryland

Compliance

We have audited the compliance of Montgomery County Public Schools with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Montgomery County Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Montgomery County Public Schools' management. Our responsibility is to express an opinion on Montgomery County Public Schools' compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Montgomery County Public Schools' 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. Our audit does not provide a legal determination of Montgomery County Public Schools' compliance with those requirements.

In our opinion, Montgomery County Public Schools complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Montgomery County Public Schools is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Montgomery County Public Schools' internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Montgomery County Public Schools' internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Montgomery County Public Schools as of and for the year ended June 30, 2009, and have issued our report thereon dated September 25, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Montgomery County Public Schools' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Baltimore, Maryland

November 25, 2009, except for our report on the Schedule of
Expenditures of Federal Awards which is September 25, 2009

**MONTGOMERY COUNTY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009**

| Federal Grantor/Pass-through/Program | CFDA Number | Pass-through Grantor Number | MCPS Project Number | Federal Expenditures |
|--|------------------------|--|------------------------------------|---------------------------------|
| Department of Agriculture | | | | |
| Distributed through Maryland State Department of Education: | | | | |
| Child Nutrition Cluster: | | | | |
| School Breakfast Program | 10.553 | food1 | food1 | \$ 3,723,782 |
| National School Lunch Program | 10.555 | food2 | food2 | 13,650,624 |
| National School Lunch Program | 10.555 | 802314-01 | food2 | 23,185 |
| Food Distribution | 10.555 | food5 | food5 | 2,268,310 |
| Summer Food Service Program | 10.559 | food3 | food3 | 708,955 |
| Total Child Nutrition Cluster | | | | 20,374,856 |
| Child and Adult Care Food Program | 10.558 | food4 | food4 | 966,361 |
| Fresh Fruit and Vegetable Program | 10.582 | food6 | food6 | 29,226 |
| Total Department of Agriculture | | | | 21,370,443 |
| Total distributed through Maryland State Department of Education | | | | 21,370,443 |
| National Science Foundation | | | | |
| Distributed through University of Maryland: | | | | |
| National Science Foundation Act | 47.076 | 3157525 | 7525 | 91,323 |
| Total distributed through the University of Maryland | | | | 91,323 |
| Total National Science Foundation | | | | 91,323 |
| Department of Education | | | | |
| Distributed through Maryland State Department of Education: | | | | |
| Special Ed Cluster: | | | | |
| Special Ed Cluster | 84.027 | 800172-01 | 7802 | 2,801 |
| Special Ed Cluster | 84.027 | 800172-01 | 7814 | 8,679 |
| Special Ed Cluster | 84.027 | 800172-01 | 7815 | 123,438 |
| Special Ed Cluster | 84.027 | 800172-01 | 7816 | 61,357 |
| Special Ed Cluster | 84.027 | 800172-01 | 7817 | 20,536 |
| Special Ed Cluster | 84.027 | 800172-02 | 7803 | 2,470 |
| Special Ed Cluster | 84.027 | 800172-03 | 7804 | 3,287 |
| Special Ed Cluster | 84.027 | 800172-05 | 7818 | 231,207 |
| Special Ed Cluster | 84.027 | 800172-06 | 7806 | 2,067 |
| Special Ed Cluster | 84.027 | 800201-01 | 7869 | 15,071 |
| Special Ed Cluster | 84.027 | 800300-01 | 7874 | 24,490 |
| Special Ed Cluster | 84.027 | 800301-01 | 7860 | 21,080 |
| Special Ed Cluster | 84.027 | 800320-01 | 7875 | 9,199 |
| Special Ed Cluster | 84.027 | 900291-01 | 7202 | 22,523,458 |
| Special Ed Cluster | 84.027 | 900291-02 | 7214 | 833,101 |
| Special Ed Cluster | 84.027 | 900291-02 | 7215 | 123,438 |
| Special Ed Cluster | 84.027 | 900291-02 | 7216 | 2,702,192 |
| Special Ed Cluster | 84.027 | 900291-02 | 7217 | 196,645 |

MONTGOMERY COUNTY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009
(Continued)

| <u>Federal Grantor/Pass-through/Program</u> | <u>CFDA Number</u> | <u>Pass-through Grantor Number</u> | <u>MCPS Project Number</u> | <u>Federal Expenditures</u> |
|--|------------------------|--|------------------------------------|---------------------------------|
| Department of Education (Continued) | | | | |
| Distributed through Maryland State Department of Education (Continued): | | | | |
| Special Ed Cluster | 84.027 | 900291-03 | 7203 | \$ 3,866 |
| Special Ed Cluster | 84.027 | 900291-04 | 7205 | 9,197 |
| Special Ed Cluster | 84.027 | 900291-05 | 7218 | 51,954 |
| Special Ed Cluster | 84.027 | 900291-06 | 7206 | 1,251 |
| Special Ed Cluster | 84.027 | 900291-09 | 7204 | 17,734 |
| Special Ed Cluster | 84.027 | 900303-01 | 7261 | 15,000 |
| Special Ed Cluster | 84.027 | 900712-01 | 7260 | 32,111 |
| Special Ed Cluster | 84.027 | 900599-01 | 7269 | 121,871 |
| Special Ed Cluster | 84.027 | 900518-01 | 7275 | 30,673 |
| Special Ed Cluster | 84.027 | 900519-01 | 7274 | 20,352 |
| Special Ed Cluster | 84.027 | 901126-01 | 7254 | 48,385 |
| Special Ed Cluster | 84.027 | 901492-01 | 7256 | 24,139 |
| Special Ed Cluster | 84.027 | 901570-01 | 7257 | 253,322 |
| Special Ed Cluster | 84.173 | 800697-02 | 7867 | 21,052 |
| Special Ed Cluster | 84.173 | 900291-08 | 7208 | 803,213 |
| Special Ed Cluster | 84.173 | 901274-02 | 7267 | <u>29,861</u> |
| Total Special Ed Cluster | | | | 28,388,497 |
| Title I | 84.010 | 800739-01/02 | 7820 | 3,391,546 |
| Title I | 84.010 | 801900-01 | 7824 | 27,422 |
| Title I | 84.010 | 900616-01 | 7200 | 61,283 |
| Title I | 84.010 | 900616-01 | 7220 | 17,768,968 |
| Title I | 84.010 | 901872-01 | 7283 | 55,339 |
| Title I | 84.010 | 901928-01 | 7224 | 107,065 |
| Vocational Education | 84.048 | 900847-01 | 7230 | 112,991 |
| Vocational Education | 84.048 | 900847-01 | 7231 | 96,367 |
| Vocational Education | 84.048 | 900847-01 | 7232 | 107,846 |
| Vocational Education | 84.048 | 900847-01 | 7233 | 501,624 |
| Vocational Education | 84.048 | 900847-01 | 7236 | 55,806 |
| Vocational Education | 84.048 | 900847-01 | 7238 | 127,704 |
| Vocational Education | 84.048 | 900941-01 | 7264 | 19,792 |
| Vocational Education | 84.048 | 900941-01 | 7271 | 9,204 |
| Vocational Education | 84.048 | 900941-01 | 7272 | 9,936 |
| Vocational Education | 84.048 | 900941-01 | 7273 | 9,994 |
| Safe and Drug-Free Schools | 84.186 | 800410-01 | 7825 | 44,010 |
| Safe and Drug-Free Schools | 84.186 | 900424-02 | 7225 | 427,525 |
| Education for Homeless Children and Youth | 84.196 | 900916-01 | 7289 | 59,499 |
| Even Start | 84.213 | 801201-01 | 7883 | 29,301 |
| Tech Prep Education | 84.243 | 900847-02 | 7211 | 113,579 |

MONTGOMERY COUNTY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009
(Continued)

| <u>Federal Grantor/Pass-through/Program</u> | <u>CFDA Number</u> | <u>Pass-through Grantor Number</u> | <u>MCPS Project Number</u> | <u>Federal Expenditures</u> |
|--|------------------------|--|------------------------------------|---------------------------------|
| Department of Education (Continued) | | | | |
| Distributed through Maryland State Department of Education (Continued): | | | | |
| Twenty-First Century Community Learning Centers | 84.287 | 801013-01 | 7846 | \$ 120,308 |
| Twenty-First Century Community Learning Centers | 84.287 | 801662-01 | 7858 | 33,595 |
| Twenty-First Century Community Learning Centers | 84.287 | 900451-01 | 7246 | 185,656 |
| Twenty-First Century Community Learning Centers | 84.287 | 900451-02 | 7285 | 1,844 |
| Twenty-First Century Community Learning Centers | 84.287 | 901358-01 | 7258 | 4,966 |
| Twenty-First Century Community Learning Centers | 84.287 | 901597-01 | 7259 | 174,187 |
| Innovative Programs | 84.298 | 700626-01 | 7735 | 30,536 |
| Innovative Programs | 84.298 | 800766-01 | 7835 | 1,000 |
| Enhancing Education through Technology | 84.318 | 700667-01 | 7737 | 71,997 |
| Enhancing Education through Technology | 84.318 | 701978-01 | 7782 | 119,363 |
| Enhancing Education through Technology | 84.318 | 800143-01 | 7851 | 56,448 |
| Enhancing Education through Technology | 84.318 | 800941-01 | 7837 | 40,963 |
| Enhancing Education through Technology | 84.318 | 801787-01 | 7856 | 342,007 |
| Enhancing Education through Technology | 84.318 | 801787-02 | 7855 | 178,807 |
| Enhancing Education through Technology | 84.318 | 900815-01 | 7237 | 168,331 |
| Enhancing Education through Technology | 84.318 | 901371-01 | 7251 | 180,080 |
| Advanced Placement Program | 84.330 | 802018-01 | 7890 | 24,613 |
| Advanced Placement Program | 84.330 | 901226-01 | n/a | 17,220 |
| Reading First | 84.357 | 700918-02 | 7849 | 26,588 |
| Reading First | 84.357 | 801584-01 | 7895 | 311,197 |
| Reading First | 84.357 | 901131-01 | 7295 | 903,990 |
| English Language Acquisition | 84.365 | 800565-01/02 | 7827 | 180,984 |
| English Language Acquisition | 84.365 | 900550-01 | 7227 | 3,186,814 |
| Improving Teacher Quality | 84.367 | 800792-01 | 7807 | 73,647 |
| Improving Teacher Quality | 84.367 | 801918-01 | 7886 | 41,100 |
| Improving Teacher Quality | 84.367 | 900569-01 | 7207 | 525,403 |
| Improving Teacher Quality | 84.367 | 900569-01 | 7239 | <u>3,672,598</u> |
| Total distributed through Maryland State Department of Education | | | | <u>62,199,540</u> |
| Distributed through Montgomery County, Maryland: | | | | |
| Special Ed Cluster | 84.027 | 9157209 | 7209 | 222,480 |
| Special Education for Infants and Families with Disabilities | 84.181 | 9157210 | 7210 | 90,841 |
| Medicaid Cluster | 93.778 | 8157812 | 7812 | 36,874 |
| Medicaid Cluster | 93.778 | 9157212 | 7212 | <u>393,724</u> |
| Total distributed through Montgomery County, Maryland | | | | <u>743,919</u> |

MONTGOMERY COUNTY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009
(Continued)

| <u>Federal Grantor/Pass-through/Program</u> | <u>CFDA Number</u> | <u>Pass-through Grantor Number</u> | <u>MCPS Project Number</u> | <u>Federal Expenditures</u> |
|---|------------------------|--|------------------------------------|---------------------------------|
| Department of Education (Continued) | | | | |
| Direct Payments: | | | | |
| International Research and Studies | 84.017 | P017A050020 | 7676 | \$ 191,657 |
| Impact Aid | 84.041 | pl874 | pl874 | 139,884 |
| Indian Education | 84.060 | S060A070538 | 7826 | 13,471 |
| Indian Education | 84.060 | S060A080538 | 7226 | 13,056 |
| Magnet Schools Assistance | 84.165 | U165A040025 | 7079 | 275,531 |
| Magnet Schools Assistance | 84.165 | U165A040025 | 7080 | 14,054 |
| Magnet Schools Assistance | 84.165 | U165A040025 | 7081 | 7,259 |
| Magnet Schools Assistance | 84.165 | U165A040025 | 7082 | 11,106 |
| Safe and Drug-Free Schools | 84.184 | Q184B070273 | 7852 | 159,756 |
| Fund for the Improvement of Education | 84.215 | U215X060034 | 7745 | 278,223 |
| Fund for the Improvement of Education | 84.215 | U215K080026 | 7277 | 126,238 |
| Fund for the Improvement of Education | 84.215 | V215L052020 | 7677 | 90,387 |
| Fund for the Improvement of Education | 84.215 | V215L052020 | 7678 | 240,168 |
| Total Direct Payments | | | | <u>1,560,790</u> |
| Total Department of Education | | | | <u>64,504,249</u> |
| Department of Health and Human Services | | | | |
| Distributed through Montgomery County, Maryland: | | | | |
| Head Start | 93.600 | 9157228 | 7228 | 3,211,050 |
| Head Start | 93.600 | 9157229 | 7229 | 57,823 |
| Total distributed through Montgomery County, Maryland | | | | <u>3,268,873</u> |
| Distributed through University of Cleveland: | | | | |
| Fund for the Improvement of PostSecondary Education | 84.116 | 5157103 | 7103 | 3,525 |
| Total distributed through University of Cleveland | | | | <u>3,525</u> |
| Total distributed through Department of Health and Human Services | | | | <u>3,272,398</u> |
| Corporation for National and Community Service | | | | |
| Distributed through Maryland State Department of Education: | | | | |
| Learn and Serve America | 94.004 | 900912-01 | 7253 | 14,922 |
| Total distributed through Maryland State Department of Education | | | | <u>14,922</u> |
| Total distributed through Corporation for National and Community Service | | | | <u>14,922</u> |
| Grand Total Expenditures of Federal Awards | | | | <u>\$ 89,253,335</u> |

MONTGOMERY COUNTY PUBLIC SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2009

1. Summary of Significant Accounting Policies

The Schedule of Expenditures of Federal Awards (the Schedule) relates only to federal programs administered by Montgomery County Public Schools (MCPS). It should be read in conjunction with MCPS' basic financial statements and the accompanying notes. The federal programs are subject to the accounting policies and procedures of MCPS, which conform to accounting principles generally accepted in the United States for governmental entities.

The federal grant programs account for the expenditure of funds by MCPS in the General and Enterprise funds. Expenditures represent direct costs of operating programs, principally personnel and fringe benefit costs. Expenditures of grant funds are made for the purposes specified by the grantor, which include certain restrictions. The grantor may ultimately disallow certain expenditures which MCPS has charged to grant funds. In the event of final disallowance, the funds will be reimbursed to the federal government by MCPS.

The federal share of the Enterprise funds is commingled with state and local funding, as well as revenues provided from user charges. Expenditures are assumed to be paid first from the federal revenues for purposes of the Schedule. Commodities received from the U.S. Department of Agriculture are valued at fair market value and recorded as expenditures when used. During the fiscal year ended June 30, 2009, the fair market value of commodities consumed was \$2,268,310.

MCPS provided \$182,733 to subrecipients from federal awards distributed through the Maryland State Department of Education, and \$767,603 for the Child and Adult Care Food Program.

2. Reconciliation of Federal Expenditures

Federal expenditures in the MCPS Comprehensive Annual Financial Report (CAFR) reconcile to the Schedule of Expenditures of Federal Awards as follows:

| | |
|---|----------------------|
| General fund federal expenditures | \$ 73,709,427 |
| Enterprise funds federal expenditures | <u>20,579,655</u> |
| Total federal expenditures per the CAFR | 94,289,082 |
| Plus: Advanced Placement – High School | |
| Technology Grant | 17,220 |
| Child and Adult Care Food Program | 767,603 |
| National School Lunch Program | 23,185 |
| Less: Medical assistance funds not included on the Schedule | (3,255,047) |
| Medicare Part D | <u>(2,588,708)</u> |
| Total federal expenditures per the Schedule | <u>\$ 89,253,335</u> |

This information is an integral part of the accompanying schedule.

**MONTGOMERY COUNTY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009**

Part I—Summary of Auditor’s Results

Financial Statement Section

Type of auditor’s report issued: Unqualified

| | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| Internal control over financial reporting: | | |
| Material weakness(es) identified? | | X |
| Reportable condition(s) identified not considered to be material weaknesses? | | X |
| Noncompliance material to financial statements noted? | | X |

Federal Awards Section

| | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| Material weakness(es) identified? | | X |
| Reportable condition(s) identified not considered to be material weaknesses? | | X |

Type of auditor’s report on compliance for major programs: Unqualified

| | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510(a))? | | X |

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| 10.553, 555, 559 | Child Nutrition Cluster |
| 84.365 | English Language Acquisition |
| 93.600 | Head Start |

Dollar threshold used to determine Type A programs: \$2,677,600

| | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| Auditee qualified as low-risk auditee? | X | |

**MONTGOMERY COUNTY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009**

Part II—Financial Statement Findings Section

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There were no findings identified during the audit for the year ended June 30, 2009.

Part III—Federal Award Findings and Questioned Costs Section

There were no findings identified during the audit for the year ended June 30, 2009.

**MONTGOMERY COUNTY PUBLIC SCHOOLS
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2009**

There were no prior year findings identified for the year ended June 30, 2008.