

HARFORD COUNTY, MARYLAND

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

For the Year Ended June 30, 2009



SB & COMPANY, LLC
EXPERIENCE • QUALITY • CLIENT SERVICE

JUNE 30, 2009

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Honorable Members of the County Council
Harford County, Maryland

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harford County, Maryland (the County), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Harford County Board of Education, Harford County Community College, the Harford County Library and the Harford Center, Inc., which collectively represent 100% of the financial position and results of activities of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based on the reports of the other auditors.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



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In accordance with *Government Auditing Standards*, we have issued our report dated October 15, 2009 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management discussion and analysis, required supplemental schedules of funding progress for Pension Trust Funds and Other Post Employment Benefit (OPEB) Trust, and required schedule of employer contributions for OPEB Trust Fund are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, supplementary information as identified in the financial section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the County taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the additional procedures applied in the audit of financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Hunt Valley, Maryland
October 15, 2009



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS 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***

To the Honorable Members of the County Council
Harford County, Maryland

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discreetly presented component units, each major fund, and the aggregate remaining fund information of Harford County, Maryland (the County) as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 15, 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 the County's 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 County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's 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.



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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 the County's 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 Honorable Members of the County Council, management, others within the entity, 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.

Hunt Valley, Maryland
October 15, 2009





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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

To the Honorable Members of the County Council
Harford County, Maryland

Compliance

We have audited the compliance of Harford County, Maryland (the County) 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. The County's major Federal programs are identified in the summary of independent public accountant'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 the County's management. Our responsibility is to express an opinion on the County's 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 the County'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. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County 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 the County 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 the County's 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 County's internal control over compliance.

A control deficiency in the 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.

This report is intended solely for the information and use of the Honorable Members of the County Council, management, others within the entity, 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.

Hunt Valley, Maryland
October 15, 2009

HARFORD COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009**

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>DIRECT FEDERAL EXPENDITURES</u>		
Department of Agriculture		
Oaklyn Manor/Manderville Rd Sewer	10.760	\$ 7,366
Stans Road and Dugar Drive	10.760	11,085
Total Department of Agriculture		<u>18,451</u>
Department of Defense		
BRAC FY07	12.607	146,698
BRAC FY08	12.607	2,020,987
Total Department of Defense		<u>2,167,685</u>
Department of Housing and Urban Development		
Housing Counselor FY08	14.169	23,975
Housing Counselor FY09	14.169	31,871
Community Development Block Grant FY04	14.218	41,480
Community Development Block Grant FY05	14.218	114,200
Community Development Block Grant FY06	14.218	137,520
Community Development Block Grant FY07	14.218	86,125
Community Development Block Grant FY08	14.218	164,285
Community Development Block Grant FY09	14.218	436,215
Tenant Based Rental Assistance FY08	14.218	54,428
Tenant Based Rental Assistance FY09	14.218	20,461
SHP-Alliance FY07	14.235	2,179
SHP-Alliance FY09	14.235	218,266
SHP-Holy Family House FY08	14.235	19,854
SHP-Holy Family House FY09	14.235	62,275
SHP-Anna's House FY09	14.235	105,764
SHP-Alliance FY08	14.235	11,354
SHP-Anna's House FY08	14.235	83,201
SHP-Alliance FY06	14.235	10,709
Special Loan Administration FY05	14.239	2,211
SHP-Alliance FY10	14.235	14,040
SHP-Anna's House FY10	14.235	38,842
HOME Program FY07	14.239	297,692
HOME Program FY03	14.239	146,846
HOME Program FY04	14.239	99,514
ADDI FY07	14.239	2,306
ADDI FY08	14.239	4,544
ADDI FY09	14.239	530
Rehab Loans FY07	14.239	124,304
Rehab Loans FY08	14.239	69,921
SELP Loans FY08	14.239	31,718
HOME Administrator	14.239	45,000
HOME Program FY08	14.239	50,580
HOME Program FY09	14.239	3,161
FSS Coordinator FY04	14.871	66
FSS Coordinator FY08	14.871	51,494
FSS Coordinator FY09	14.871	60,389

The accompanying notes are an integral part of this schedule.

HARFORD COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Department of Housing and Urban Development (continued)		
Billed Vouchers	14.871	1,832
Housing Choice Vouchers FY08	14.871	3,636,320
Housing Choice Vouchers FY09	14.871	2,869,693
Section 8 Mainstream FY09	14.871	494,351
FSS – R. Watkins FY06	14.871	11,410
FSS – J. Duke FY08	14.871	8,630
FSS – A. Mills FY09	14.871	2,328
HDG Field Development – Washington Court Sec 108 Loan	14.219 14.248	70,451 192,159
Total Department of Housing and Urban Development		9,954,494
Department of Justice		
Drug Free Community Support FY08	93.276	37,238
Drug Free Community Support FY09	93.276	63,366
Anti-Gang Strategy FY07	93.276	28,368
Anti-Gang Strategy FY09	93.276	22,209
Gang Intelligence Initiative FY08	16.738	69,362
Gang Suppression Initiative FY06	16.579	744
Gang Suppression Initiative FY09	16.579	23,777
CCTV/Poles Camera FY08	16.738	39,727
Encase Certified Examiner FY09	16.738	4,497
Juvenile Drug Court Support FY09	16.738	52,045
Harford County Safe Zone FY09	16.738	6,060
Principles of Forensics FY09	16.738	5,010
Crime Reports.com FY09	16.738	2,388
License LPlate Recognition	16.738	23,450
Total Department of Justice		378,241
Department of Labor*		
Early Intervention	17.160	52,055
WIA TITLE I – ADMIN	17.160	132,479
WIA TITLE I – ADULT	17.258	454,025
WIA – MD BUSINESS WORKS	17.258	104,254
WIA – TITLE I YOUTH	17.259	185,413
WIA/ARRA – YOUTH	17.259	319,057
WIA TITLE I DISLOCATED WORKER	17.260	229,327
PY07 BRAC REGIONAL COORDINATOR	17.260	84,312
PY07 BRAC FT MONMOUTH	17.260	177,689
PY06 Rapid Response	17.260	7,222
Rapid Response	17.260	30,000
PY07 WIA – RAPID RESPONSE	17.260	163
PY08 RAPID RESPONSE	17.260	47,486
DISABILITY NAVIGATOR FUNDS	17.266	18,543
TRADE ADJUSTMENT ASSISTANCE	17.245	53,000

*These grants are provided to subrecipients.

HARFORD COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Department of Labor (continued)		
LVER Incentive	17.804	2,500
Temporary Assistance for Needy Families	93.558	9,342
Total Department of Labor		<u>1,906,867</u>
Corporation for National Service		
RSVP FY07	94.002	43,953
RSVP FY08	94.002	68,127
Total Corporation for National Service		<u>112,080</u>
Total Direct Federal Expenditures		<u>14,537,818</u>
<u>INDIRECT FEDERAL EXPENDITURES</u>		
Department of Agriculture		
Passed through the Maryland Department of Human Resources		
Emergency Food	10.569	22,171
Conservation Planner	10.902	53,589
Total Department of Agriculture		<u>75,760</u>
Department of Commerce		
Passed through the Maryland Department of Natural Resources		
Critical Area FY08	11.419	24,000
Anita C. Leight Estuary FY08	11.420	7,722
Anita C. Leight Estuary FY09	11.420	50,204
Modern Mapping Capabilities FY09	11.420	14,965
Public Safety Interoperable Communications FY09	11.555	3,750
Total Department of Commerce		<u>100,641</u>
Department of Housing and Urban Development		
Pass through City of Baltimore Department of Housing and Community Development		
HOPWA FY02	14.241	3,233
HOPWA FY03	14.241	349
HOPWA FY04	14.241	655
HOPWA FY05	14.241	2,648
HOPWA FY06	14.241	2,248
HOPWA FY07	14.241	4,191
HOPWA FY08	14.241	1,816
HOPWA FY09	14.241	75,465
Emergency Shelter FY08	14.231	2,707
Emergency Shelter FY09	14.231	29,174
Total Department of Housing and Urban Development		<u>122,486</u>

The accompanying notes are an integral part of this schedule.

HARFORD COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Department of Justice		
Passed through the Department of Housing and Urban Development		
Child Advocacy Center Training and Equipment FY08	16.543	7,130
Domestic Violence Initiative FY08	16.588	7,658
Domestic Violence Initiative FY09	16.588	24,031
Domestic Violence Legal Assistant FY08	16.588	18,894
Domestic Violence Legal Assistant FY09	16.588	43,461
Child Abuse Training FY09	16.588	3,692
Total Department of Justice		104,866
Department of Transportation		
Passed through the State Department of Highways		
Bridge Inspection Program	20.205	46,751
St. Clair Road Bridge	20.205	270
Watervale Road Bridge	20.205	41,640
Southampton Road Bridge	20.205	89,865
Passed through the Baltimore Regional Council of Governments		
Transportation Management FY09	20.505	71,492
Passed through Mass Transit Administration		
MTA Capital FY05	20.500	2,118
MTA Capital FY06	20.500	146,757
MTA Capital FY07	20.500	207,661
MTA Capital FY08	20.500	431,809
MTA Capital FY09	20.500	70,297
Section 5307 FY09	20.507	564,047
Ridesharing FY08	20.507	70,400
Job Access and Reverse Commute FY09	20.516	27,476
New Freedom FY09	20.521	101,617
Passed through Department of Transportation Office of Safety Planning		
Alcohol Drug Safety FY08	20.600	60,989
Alcohol Drug Safety FY09	20.600	47,588
DUI/Drug Court Pilot Program FY08	20.600	28,437
DUI/Drug Court Pilot Program FY09	20.600	41,075
Passed through Mema-Pipeline and Hazardous Material Federation Safety Administration		
HMEP Training FY06	20.703	570
HMEP Training FY09	20.703	6,166
Total Department of Transportation		2,057,025
Environmental Protection Agency		
Passed through National Fish and Wildlife Federation		
Oaklyn Manor/Mandeville Sewer	66.202	77,894
Stans Road and Dugar Drive	66.202	42,654
Total Environmental Protection Agency		120,548

The accompanying notes are an integral part of this schedule.

HARFORD COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Department of Homeland Security		
Passed through Maryland Emergency Management Agency		
Urban Area Safety Initiative – Volunteer MobilizationFY08	97.008	9,829
Urban Area Safety Initiative – Command Vehicle FY08	97.008	16,731
Urban Area Safety Initiative – Hazmat Support	97.008	4,504
FFY08 HSGP Emergency Planner FY09	97.008	21,365
UASI Conference FY09	97.008	3,856
Tamiflu Pharmaceutical Purchase FY09	97.008	37,500
Command Vehicle Maintenance FY09	97.008	20,000
Harford County CCTV FY09	97.008	73,875
Tactical Team Equipment and Training FY09	97.008	24,887
FFY06 UASI Close Out Support	97.008	70,000
Community Right to Know FY08	97.067	10,704
Citizen’s Corp FY08	97.067	5,642
State Homeland Security Grant FY08	97.067	297,390
Law Enforcement Terrorism Prevention FY08	97.067	180,417
Emergency Management Support FY08	97.067	36,490
Emergency Management Performance Grant FY08	97.042	42,282
EMPG Supplemental FY07	97.042	34,658
Homeland Security Grant Program FY09	97.073	208,497
Buffer Zone Protection FY08	97.078	93,925
Community Right to Know	97.067	1,501
Total Department of Homeland Security		1,194,053
Department of Health and Human Services		
Passed through Maryland Office of Aging		
Title IIIA FY08	93.042	37,400
Title IIIA FY09	93.042	51,369
Title IIID FY08	93.043	7,088
Title IIID FY09	93.043	8,224
Title IIIB FY08	93.044	737
Title IIIB FY09	93.044	143,791
Title IIIC FY08	93.045	56,608
Title IIIC FY09	93.045	169,456
Title IIIE FY08	93.052	24,198
Title IIIE FY09	93.052	37,902
NSIP FY08	93.053	10,676
NSIP FY09	93.053	18,735
Passed through Department of Human Services		
Sheriff Cooperative Reimbursement FY08	93.563	104,746
Sheriff Cooperative Reimbursement FY09	93.563	377,990
Cooperative Reimbursement FY08	93.563	190,243
Cooperative Reimbursement FY09	93.563	514,786
BOSE Incentive FY02	93.563	3,185
BOSE Incentive FY06	93.563	4,298
BOSE Incentive FY08	93.563	3,670
Access & Visitation FY08	93.597	9,589
Access & Visitation FY09	93.597	31,521
Curb Abuse of Medicare and Medicaid FY09	93.775	6,946

The accompanying notes are an integral part of this schedule.

HARFORD COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009**

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Department of Health and Human Services (continued)		
Passed through Maryland Office on Aging		
Medicaid Waiver FY08	93.778	19,712
Medicaid Waiver FY09	93.778	97,962
SHIP FY09	93.779	24,387
SHIP FY10	93.779	1,082
Passed through Department of Health and Mental Hygiene		
Prevention Services FY09	93.959	102,974
Passed through Administration for Children and Families		
Family Recovery Court FY08	93.586	65,750
Total Department of Health and Human Services		<u>2,125,025</u>
Total Indirect Federal Expenditures		5,900,404
Total Expenditures of Federal Awards		<u>\$ 20,438,222</u>

The accompanying notes are an integral part of this schedule.

HARFORD COUNTY, MARYLAND

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Federal grant operations of Harford County, Maryland (the County) are included in the scope of the Office of Management and Budget (OMB) Circular A-133 audit (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Circular A-133 (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 and other grants with fiscal year 2009 cash or non-cash expenditure activities. For our single audit testing, we tested Federal award programs below with 2009 cash and non-cash expenditures in excess of \$613,147 to ensure coverage of at least 25% of Federally granted funds. Our actual coverage was 46%.

<u>Major Programs</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Section 8 Housing Choice Vouchers	14.871	\$ 7,136,513
Edward Byrne Memorial Justice	16,738	202,539
Highway Planning and Construction	20.205	178,526
MTA Capital	20.500	858,642
Federal Transit – Formula Grants	20.507	634,447
State and Community Highway Safety	20.600	178,089
Urban Areas Security Initiative	97.008	282,547
		<u>\$ 9,471,303</u>

2. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards has been accounted for on the accrual basis of accounting.

HARFORD COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009**

Section I - Summary of Independent Public Accountants' Results

Financial Statements

Type of Independent Public Accountants' report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies(s) identified that are not considered to be material weaknesses?	None reported
Type of Independent Public Accountants' report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	None

Identification of Major Programs:

<u>Major Programs</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Section 8 Housing Choice Vouchers	14.871	\$ 7,136,513
Edward Byrne Memorial Justice Assistant Grant Program	16.738	202,539
Highway Planning and Construction	20.205	178,526
MTA Capital	20.500	858,642
Federal Transit – Formula Grants	20.507	634,447
State and Community Highway Safety	20.600	178,089
Urban Areas Security Initiative	97.008	282,547
		<u>\$ 9,471,303</u>

HARFORD COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009**

Threshold for distinguishing between
Type A and B programs \$613,361

Did the County qualify as a low risk
auditee? Yes

Section II – Financial Statement Findings

None noted.

Section III - Federal Award Findings

None noted.

HARFORD COUNTY, MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2008**

There were no prior year findings and questioned costs in 2008.