

HARFORD COUNTY, MARYLAND

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

For the Year Ended June 30, 2012



SB & COMPANY, LLC
EXPERIENCE • QUALITY • CLIENT SERVICE

JUNE 30, 2012

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have audited the accompanying 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 June 30, 2012, and for the year then ended, which collectively comprise the County's basic financial statements as listed in the table of contents. 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 Community College, the Harford County Library and the Harford Center, Inc. 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 provides 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 Harford County, Maryland, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general, highways, and agriculture land preservation funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.



In accordance with *Government Auditing Standards*, we have issued our report dated October 1, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's 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 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 evidence sufficient to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund statements and budgetary comparison schedules are presented for purposes of additional analysis and are 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

SB & Company, LLC

Hunt Valley, Maryland
October 1, 2012



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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, 2012, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 1, 2012. 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

Management of the County is responsible for establishing and maintaining effective 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.



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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 County, 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.

SB & Company, LLC

Hunt Valley, Maryland
October 1, 2012



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON 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 *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major Federal programs for the year ended June 30, 2012. The County's major Federal programs are identified in the summary of independent public accountants' 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.

The County's basic financial statements include the operations of the Harford County Public Schools, the Harford County Community College, the Harford County Library and the Harford Center, component units which received Federal awards and which are not included in the accompanying schedule of expenditures of Federal awards for the year ended June 30, 2012. Our audit described below does not include the operations of the Harford County Public Schools, the Harford County Community College, the Harford County Library and the Harford Center because these entities engaged another auditor to perform an audit in accordance with OMB Circular A-133.

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. 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 could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2012.



Internal Control over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the 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 basic financial statements. The schedule 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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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This report is intended solely for the information and use of the Honorable Members of the County Council, management, others within the County, 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.

SB & Company, LLC

Hunt Valley, Maryland
October 1, 2012

HARFORD COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<u>DIRECT FEDERAL EXPENDITURES</u>		
Department of Agriculture		
Deer Creek Watershed Restoration	10.902	\$ 151,729
Department of Defense		
BRAC - Phase III FY08	12.607	49,478
BRAC FY11	12.607	307,140
BRAC FY12	12.607	113,343
Total Department of Defense		<u>469,961</u>
Department of Housing and Urban Development		
FSS Coordinator - CY12	14.169	25,215
Housing Counselor (State)	14.169	19,768
Reverse Mortgage	14.169	2,998
FSS Coordinator - CY11	14.169	34,633
Section 8 Mainstream	14.181	555,260
Community Development Block Grants/Entitlement Grants FY10	14.218	162,235
Community Development Block Grants/Entitlement Grants FY11	14.218	185,283
Community Development Block Grants/Entitlement Grants FY12	14.218	240,313
Community Development Block Grants/Entitlement Grants - Home FY11	14.218	86,085
Community Development Block Grants/Entitlement Grants - Home FY12	14.218	260,442
Community Development Block Grants/Entitlement Grants - Tenant Based Rental Assistance	14.218	64,933
Neighborhood Conservation Initiative - Washington Court	14.228	61,067
Washington Court Demolition - HERA FY10	14.256	3,786
Supportive Housing Program - Alliance FY11	14.235	9,554
Supportive Housing Program - Alliance FY12	14.235	140,089
Supportive Housing Program - Harford Family House FY11	14.235	21,146
Supportive Housing Program - Harford Family House FY12	14.235	53,935
Supportive Housing Program - Anna's House FY11	14.235	88,531
Supportive Housing Program - Anna's House FY12	14.235	154,103
Supportive Housing Program - FCCAU FY11	14.235	13,605
Supportive Housing Program - FCCAU FY12	14.235	5,965
HOME Investment Partnerships Program - HOME FY10	14.239	71,160
Section 8 Housing Choice Vouchers - Billed Vouchers FY05	14.871	198,648

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, 2012**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Department of Housing and Urban Development (continued)		
Section 8 Housing Choice Vouchers FY11	14.871	\$ 3,369,497
Section 8 Housing Choice Vouchers FY12	14.871	3,420,103
Section 8 Housing Choice Vouchers - Mainstream	14.871	1,190
Section 8 Housing Choice Vouchers - Admin FY11	14.871	312,632
Section 8 Housing Choice Vouchers - Admin FY12	14.871	224,929
Total Department of Housing and Urban Development		<u>9,787,105</u>
Department of the Interior		
Stream Gauge Station FY10	15.808	<u>7,418</u>
Department of Justice		
SCAAP - Detention Center	16.606	34,313
Edward Byrne Memorial Justice Assistance Grant Program - JAG FY11	16.738	50,008
Edward Byrne Memorial Justice Assistance Grant Program - JAG FY12	16.738	44,478
Total Department of Justice		<u>128,799</u>
Department of Labor*		
WIA Adult Program	17.258	392,690
WIA Dislocated Worker	17.260	232,411
WIA OJT National Emergency	17.260	29,854
WIA Rapid Response	17.260	10,662
WIA Youth Activities	17.259	404,236
MD Bus Works - ARRA	17.258/259/260	37,227
Statewide - ARRA	17.258/259/260	4,885
Statewide	17.258/259/260	127,823
State Energy Sector - ARRA	17.275	148,616
BRAC FY11	17.277	384,030
MD Business Works	17.278	9,437
Early Intervention	17.278	65,599
WIA - Dislocated Workers FY11	17.278	120,055
WIA - Dislocated Workers FY12	17.278	118,234
Total Department of Labor		<u>2,085,759</u>
Department of Health and Human Services		
Temp Assist Needy Families FY11	93.558	<u>6,692</u>

*These grants are provided to subrecipients.

HARFORD COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Corporation for National Service		
RSVP FY11	94.002	\$ 86,509
RSVP FY12	94.002	7,684
Total Corporation for National Service		<u>94,193</u>
Executive Office of the President		
Diversion Project	95.001	5,412
Harford County Drug Initiative	95.001	32,849
Total Executive Office of the President		<u>38,261</u>
Department of Energy		
Energy Efficiency and Conservation Block Grant Program FY10 - ARRA	81.128	70,824
Energy Efficiency and Conservation Block Grant Program - Facilities and Repair - ARRA	81.128	415,514
Energy Efficiency and Conservation Block Grant Program - Courthouse Building Study/Repairs - ARRA	81.128	127,500
Energy Efficiency and Conservation Block Grant Program - Edgewood Library - HVAC - ARRA	81.128	322,143
Energy Efficiency and Conservation Block Grant Program - Fallston Library- HVAC - ARRA	81.128	220,785
Total Department of Energy		<u>1,156,766</u>
Total Direct Federal Expenditures		<u>13,926,683</u>
<u>INDIRECT FEDERAL EXPENDITURES</u>		
Department of Agriculture		
Passed through the Maryland Department of Human Resources		
Emergency Food Assistance Program (Food Commodities) FY12	10.569	20,000
Passed through the Maryland Department of Agriculture		
Conservation Planner FY12	10.902	72,996
Total Department of Agriculture		<u>92,996</u>
Department of Commerce		
Passed through the Maryland Department of Natural Resources		
Leight Park O&M FY12	11.420	11,718
Anita C. Leight Estuary FY11	11.420	41,001
Total Department of Commerce		<u>52,719</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, 2012

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Department of Housing and Urban Development		
Passed through Maryland Department of Housing and Community Development		
Emergency Shelter FY11	14.231	\$ 20,776
Emergency Shelter FY12	14.231	13,487
HPRP - Community Services	14.257	14,848
HPRP - Community Services - ARRA	14.257	26,869
Passed through the Mayor and City Council of Baltimore		
Housing Opportunities for Persons with AIDS FY03	14.241	137
Housing Opportunities for Persons with AIDS FY09	14.241	224
Housing Opportunities for Persons with AIDS FY10	14.241	47,593
Housing Opportunities for Persons with AIDS FY11	14.241	96,909
Total Department of Housing and Urban Development		<u>220,843</u>
Department of Justice		
Passed through the Governors Office of Crime Control and Prevention		
School Supplies	16.523	732
Domestic Violence Initiative FY12	16.588	9,002
Domestic Violence Legal Assistant FY11	16.588	791
Statewide Web Production FY12	16.727	2,926
Education/Enforced Compliance	16.727	31,179
Complex Case Initiative FY11	16.738	17,432
Passed through the National Children's Alliance		
Child Advocacy Center Training FY11	16.543	6,422
Total Department of Justice		<u>68,484</u>
Department of Transportation		
Passed through the State Department of Highways		
Highway Planning and Construction - MD Safe Routes to School FY10	20.205	104,395
Highway Planning and Construction - St. Clair Road Bridge	20.205	862,482
Highway Planning and Construction - Harford Creamery Road Bridge Phase 2	20.205	28,200
Highway Planning and Construction - Watervale Road Bridge (Design)	20.205	54,875
Highway Planning and Construction - Bridge Inspection Program	20.205	395,134
Highway Planning and Construction - Ruffs Mills Road Bridge	20.205	720,181
Highway Planning and Construction - Carrs Mill Road Bridge	20.205	82,994
State and Community Highway Safety - DUI Drug Court Improvements FY11	20.600	31,179
State and Community Highway Safety - MD Highway Safety Grant	20.600	23,708
State and Community Highway Safety - Operation Saved	20.600	24,300
Road Reconstruction - ARRA	20.932	56,372
Wheel Rd/ Laurel Bush Intersection - ARRA	20.932	56,386

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, 2012**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Department of Transportation (continued)		
Passed through Mass Transit Administration		
Federal Transit-Capital Investment Grants - MTA Capital FY06	20.500	\$ 984
Federal Transit-Capital Investment Grants - MTA Capital FY11	20.500	9,663
Federal Transit-Capital Investment Grants - FY10 - ARRA	20.500	189,849
Federal Transit-Formula Grants - Section 5307 FY12	20.507	733,119
Federal Transit-Formula Grants - Rideshare FY12	20.507	87,932
Job Access-Reverse Commute FY12	20.516	33,797
New Freedom Program FY12	20.521	37,938
Passed through the Baltimore Metropolitan Council		
Transportation Management FY12	20.505	90,192
MD 22 Corridor Study	20.505	197,215
Passed through Maryland Emergency Management Agency		
HMEP Training FY11	20.703	3,786
Total Department of Transportation		<u>3,824,681</u>
Department of Homeland Security		
Passed through Maryland Emergency Management Agency		
Incident Management Team - FY10 UASI	97.008	24
UASI Conference FY09	97.008	493
Tactical Team Equipment and Training FY09	97.008	115
Training & Conference FY10	97.008	724
LETPA Equipment & Training	97.008	89,180
EAS Emnet Software	97.008	549
Web EOC Maintenance FY09	97.008	1,734
Homeland Security Grant Program - UASI - Cell Phone Tracker	97.067	399,999
Homeland Security Grant Program - Regional Planner FY11	97.067	63,125
Homeland Security Grant Program - Volunteer Mobilization	97.067	22,443
Homeland Security Grant Program - UASI - MCCV Maintenance	97.067	3,940
Homeland Security Grant Program - UASI - Mobile Comm. Vehicle Mainten.	97.067	14,385
Homeland Security Grant Program - UASI - CMARC Network Maintenance	97.067	55,405
Homeland Security Grant Program - UASI - Emnet Pc Upgrades	97.067	95
Homeland Security Grant Program - UASI - Intelligence Equipment FY10	97.067	21,714
Homeland Security Grant Program - UASI - HS Curriculum Development	97.067	9,020
Homeland Security Grant Program - UASI - CBRNE Protection & Response	97.067	20,646
Homeland Security Grant Program - UASI - K-9 and Training FY10	97.067	2,744
Homeland Security Grant Program - UASI - Tactical Equipment	97.067	19,565
Homeland Security Grant Program - UASI - High School Education Prog	97.067	4,636
Homeland Security Grant Program - UASI - Quick Response Training	97.067	371
Homeland Security Grant Program - UASI - Resource Management Tech Train & Conf	97.067	30,125

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, 2012**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Department of Homeland Security (continued)		
Passed through Maryland Emergency Management Agency (continued)		
Homeland Security Grant Program - UASI - Volunteer Mobilization	97.067	\$ 24,762
Homeland Security Grant Program - UASI -CMARC Phase III	97.067	920,520
Homeland Security Grant Program - UASI - Emergency Planners	97.067	31,450
Homeland Security Grant Program - UASI - Hazmat	97.067	52,282
Homeland Security Grant Program - UASI - CCTV	97.067	283,723
Homeland Security Grant Program - UASI - Tech Training, Web EOC	97.067	3,003
Emergency Management Performance Grant FY11	97.042	122,290
Citizen Corps	97.073	7,905
Homeland Security Grant Program FY10	97.073	248,749
Homeland Security Grant Program FY11	97.073	426,535
Buffer Zone Protection FY11	97.078	128,285
Total Department of Homeland Security		3,010,536
 Department of Health and Human Services		
Passed through Maryland Office of Aging		
Title IIIA - Area Agency FY12	93.042	34,241
Title IIIA - Area Agency FY11	93.042	12,165
Title IIID FY12	93.043	8,173
Title IIID FY11	93.043	2,811
Title IIIB - Human Services/Ombudsman - FY11	93.044	61,432
Title IIIB - Human Services/Ombudsman - FY12	93.044	80,648
Special Programs for the Aging-Title III, Part C- Home Delivered Meals FY11	93.045	30,864
Special Programs for the Aging-Title III, Part C- Home Delivered Meals FY12	93.045	79,380
Special Programs for the Aging-Title III, Part C- Congregate Nutrition FY11	93.045	46,173
Special Programs for the Aging-Title III, Part C- Congregate Nutrition FY12	93.045	147,221
SMP - Formerly CAMM FY11	93.048	205
SMP - Formerly CAMM FY12	93.048	5,399
SMP Expansion FY11	93.048	6,998
SMP Expansion FY12	93.048	6,760
Title IIIE - Caregivers FY11	93.052	14,261
Title IIIE - Caregivers FY12	93.052	27,812
Affordable Care Act - FY11	93.518	3,355
Affordable Care Act - FY12	93.518	6,603
Medicaid Waiver - FY12	93.778	101,510
SHIP FY12	93.779	20,262
MFP - MD Access Point - FY12	93.779	63,741

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, 2012**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Department of Health and Human Services (continued)		
Passed through Maryland Office of Aging (continued)		
Money Follows the Person FY12	93.779	\$ 2,322
Passed through Department of Human Services		
Child Support Enforcement - Cooperative Reimbursement FY11	93.563	149,738
Child Support Enforcement - Cooperative Reimbursement FY12	93.563	490,253
Child Support Enforcement - Sheriff Cooperative Reimbursement FY11	93.563	133,133
Child Support Enforcement - Sheriff Cooperative Reimbursement FY12	93.563	348,916
Child Support Enforcement - BOSE Incentive FY08	93.563	13,087
Child Support Enforcement - BOSE Incentive FY09	93.563	1,271
Child Support Enforcement - BOSE Incentive FY09	93.563	2,161
APSAC Scholarship	93.563	455
Access & Visitation FY10	93.597	8,750
Access & Visitation FY12	93.597	11,640
Passed through the Governor's Office of Crime Control & Prevention		
Trauma Recognition and Certification FY11	93.643	5,977
Trauma Recognition and Certification FY12	93.643	44,497
Passed through Department of Health and Mental Hygiene		
Block Grants for Prevention and Treatment of Substance Abuse FY12	93.959	33,472
Total Department of Health and Human Services		<u>2,005,686</u>
Total Indirect Federal Expenditures		<u>9,275,945</u>
Total Expenditures of Federal Awards		<u>\$ 23,202,628</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, 2012

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 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 2012 cash or non-cash expenditure activities. For our single audit testing, we tested Federal award programs below with 2012 cash and non-cash expenditures in excess of \$696,079 to ensure coverage of at least 25% of Federally granted funds. Our actual coverage was 59%.

<u>Major Programs</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Section 8 Mainstream	14.181	\$ 555,260
Section 8 Housing Choice Vouchers Cluster	14.871	7,526,999
BRAC FY11	17.277	384,030
Highway Planning and Construction Cluster	20.205	2,248,261
Federal Transit-Capital Investment Grants/ Federal Transit- Formula Grants - ARRA	20.500/20.507	1,021,547
Energy Efficiency and Conservation Block Grant Program	81.128	1,156,766
Citizen Corps/ Homeland Security Grant Program	97.073	683,189
		<u>\$ 13,576,052</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, 2012**

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 identified?	No
Significant deficiency identified that is not considered to be a material weakness?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

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

HARFORD COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012**

Identification of Major Programs:

Major Programs	CFDA Number	Federal Expenditures
Section 8 Mainstream	14.181	\$ 555,260
Section 8 Housing Choice Vouchers Cluster	14.871	7,526,999
BRAC FY11	17.277	384,030
Highway Planning and Construction Cluster	20.205	2,248,261
Federal Transit-Capital Investment Grants/ Federal Transit- Formula Grants - ARRA	20.500/20.507	1,021,547
Energy Efficiency and Conservation Block Grant Program	81.128	1,156,766
Citizen Corps/ Homeland Security Grant Program	97.073	683,189
		<u>\$ 13,576,052</u>

Threshold for distinguishing between
Type A and B programs

\$696,079

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 Audit Findings and Questioned Costs
For the Year Ended June 30, 2012**

No Prior Year Findings.