

**HARFORD COUNTY, MARYLAND**

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

**For the Year Ended June 30, 2013**



**S B & C O M P A N Y, LLC**  
EXPERIENCE • QUALITY • CLIENT SERVICE

**JUNE 30, 2013**

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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

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

### **Report on the Financial Statements**

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 and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements.

### ***Management's Responsibility for the Financial Statements***

Harford County's management is responsible for the preparation and fair presentation of these financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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 financial statements.



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

### ***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, 2013, 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.

### ***Other Matters***

#### ***Required Supplementary Information***

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 the Pension Trust Funds, 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.

#### ***Supplementary and Other Information***

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, budgetary comparison schedules, introductory and statistical tables and the Schedule of Expenditures of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the financial statements.



The accompanying combining and individual fund statements, budgetary comparison schedules, and the Schedule of Expenditures of Federal Awards 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 other 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 combining and individual fund statements, budgetary comparison schedules and the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2013 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 County's internal control over financial reporting and compliance.

Hunt Valley, Maryland  
September 27, 2013

*SB & Company, LLC*



**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, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Harford County, Maryland (the County) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 27, 2013. Our report includes a reference to other auditors who audited the financial statements of the Harford County Community College, the Harford County Library and the Harford Center, Inc., as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



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Our consideration of the 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hunt Valley, Maryland  
September 27, 2013

*SB & Company, LLC*



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

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

**Report on Compliance for Each Major Federal Program**

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 could have a direct and material effect on each of the County's major Federal programs for the year ended June 30, 2013. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major Federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major Federal program. However, our audit does not provide a legal determination on the County's compliance.



### ***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2013.

### **Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our compliance audit, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and for each major Federal programs 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Hunt Valley, Maryland  
November 15, 2013

*SBC Company, LLC*

# HARFORD COUNTY, MARYLAND

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2013

<b>Federal Grantor/Pass Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
<b><u>DIRECT FEDERAL EXPENDITURES</u></b>		
<b>Department of Agriculture</b>		
Deer Creek Watershed Restoration	10.902	<u>\$ 144,697</u>
<b>Department of Defense</b>		
BRAC - Phase III	12.607	632,900
BRAC	12.607	<u>324,227</u>
<b>Total Department of Defense</b>		<u>957,127</u>
<b>Department of Housing and Urban Development</b>		
FSS Coordinator - CY12	14.169	2,903
Housing Counselor - HUD	14.169	18,790
Reverse Mortgage	14.169	784
Community Development Block Grants/Entitlement Grants FY09	14.218	73,466
Community Development Block Grants/Entitlement Grants FY10	14.218	189,495
Community Development Block Grants/Entitlement Grants FY11	14.218	150,280
Community Development Block Grants/Entitlement Grants FY12	14.218	375,139
Community Development Block Grants/Entitlement Grants FY13	14.218	274,548
Community Development Block Grants/Entitlement Grants - Tenant Based		
Rental Assistance	14.218	208
Supportive Housing Program - Alliance FY12	14.235	57,991
Supportive Housing Program - Alliance FY13	14.235	96,555
Supportive Housing Program - Anna's House FY12	14.235	90,386
Supportive Housing Program - Anna's House FY13	14.235	139,273
Supportive Housing Program - FCCAU FY12	14.235	11,344
Supportive Housing Program - FCCAU FY13	14.235	9,160
Supportive Housing Program - Harford Family House FY12	14.235	30,040
Supportive Housing Program - Harford Family House FY13	14.235	81,548
HOME Investment Partnerships Program - HOME FY10	14.239	100,000
HOME Investment Partnerships Program - HOME FY11	14.239	94,749
HOME Investment Partnerships Program - HOME FY12	14.239	140,174
HOME Investment Partnerships Program - HOME FY13	14.239	67,254
Section 8 Housing Choice Vouchers - Billed Vouchers FY05	14.871	164,969
Section 8 Housing Choice Vouchers FY12	14.871	3,361,942
Section 8 Housing Choice Vouchers FY13	14.871	3,483,806
Section 8 Housing Choice Vouchers - Mainstream	14.871	556,530
Section 8 Housing Choice Vouchers - Admin FY12	14.871	253,278
Section 8 Housing Choice Vouchers - Admin FY13	14.871	<u>257,448</u>
<b>Total Department of Housing and Urban Development</b>		<u>10,082,060</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, 2013

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<b>Department of the Interior</b>		
Stream Gauge Station FY10	15.808	\$ 6,158
Watershed Stream Assessment Studies	15.808	2,472
<b>Total Department of the Interior</b>		<u>8,630</u>
<b>Department of Justice</b>		
Edward Byrne Memorial Justice Assistance Grant Program - JAG FY11	16.738	40,350
<b>Department of Labor*</b>		
EUCREA	17.225	18,443
WIA Adult Program FY12	17.258/259/278	305,512
WIA Adult Program FY13	17.258/259/278	249,066
WIA Dislocated Worker FY12	17.258/259/278	431,365
WIA Dislocated Worker FY13	17.258/259/278	57,879
WIA Rapid Response	17.258/259/278	20,000
WIA Youth Activities FY10	17.258/259/278	51,113
WIA Youth Activities FY11	17.258/259/278	294,127
Early Intervention FY11	17.258/259/278	845
Early Intervention FY12	17.258/259/278	56,848
State Energy Sector - ARRA	17.275	25,668
BRAC FY11	17.277	586,853
RG Steel National Emergency FY13	17.277	6,430
<b>Total Department of Labor</b>		<u>2,104,149</u>
<b>Environmental Protection Agency</b>		
Oaklyn Manor/Joppa Area Sewer Relief	66.202	287,370
<b>Corporation for National Service</b>		
RSVP FY11	94.002	1,847
RSVP FY12	94.002	92,590
RSVP FY13	94.002	11,448
<b>Total Corporation for National Service</b>		<u>105,885</u>
<b>Executive Office of the President</b>		
Diversion Project	95.001	22,944
Harford County Drug Initiative	95.001	46,854
<b>Total Executive Office of the President</b>		<u>69,798</u>
<b>Department of Energy</b>		
Energy Efficiency and Conservation Block Grant Program FY10 - ARRA	81.128	8,932
Facilities Repair Program	81.128	72,612
<b>Total Department of Energy</b>		<u>81,544</u>
<b>Total Direct Federal Expenditures</b>		<u>13,881,610</u>

\*These grants are provided to subrecipients.

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, 2013

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<b><u>INDIRECT FEDERAL EXPENDITURES</u></b>		
<b>Department of Agriculture</b>		
Passed through the Maryland Department of Human Resources		
Emergency Food Assistance Program (Food Commodities) FY13	10.569	\$ 20,000
Passed through the Maryland Department of Agriculture		
Conservation Planner FY13	10.902	66,862
<b>Total Department of Agriculture</b>		<u>86,862</u>
<b>Department of Commerce</b>		
Passed through the Maryland Department of Natural Resources		
Leight Park O&M FY13	11.420	42,303
Anita C. Leight Estuary FY12	11.420	8,999
<b>Total Department of Commerce</b>		<u>51,302</u>
<b>Department of Housing and Urban Development</b>		
Passed through Maryland Department of Housing and Community Development		
Emergency Shelter FY12	14.231	11,993
Emergency Shelter FY13	14.231	16,628
HPRP - Community Services	14.257	12,300
HPRP - Community Services - ARRA	14.257	4,336
Passed through the Mayor and City Council of Baltimore		
Housing Opportunities for Persons with AIDS FY09	14.241	3,435
Housing Opportunities for Persons with AIDS FY10	14.241	1,028
Housing Opportunities for Persons with AIDS FY11	14.241	97,247
Housing Opportunities for Persons with AIDS FY12	14.241	117,542
Housing Opportunities for Persons with AIDS FY13	14.241	3,510
<b>Total Department of Housing and Urban Development</b>		<u>268,019</u>
<b>Department of Justice</b>		
Passed through the Governors Office of Crime Control and Prevention		
National Crime Victims' Rights Week	16.582	3,903
Domestic Violence Initiative FY12	16.588	5,998
Domestic Violence Initiative FY13	16.588	10,605
Passed through the National Children's Alliance		
Child Advocacy Center Training FY12	16.543	9,818
Child Advocacy Center Training FY13	16.543	2,121
<b>Total Department of Justice</b>		<u>32,445</u>
<b>Department of Transportation</b>		
Passed through the State Department of Highways		
Highway Planning and Construction - St. Clair Road Bridge	20.205	188,966
Highway Planning and Construction - Harford Creamery Road Bridge Phase 2	20.205	9,885
Highway Planning and Construction - Watervale Road Bridge (Design)	20.205	14,368
Highway Planning and Construction - Bridge Inspection Program	20.205	68,316
Highway Planning and Construction - Ruffs Mills Road Bridge	20.205	277
Highway Planning and Construction - Carrs Mill Road Bridge	20.205	45,100
State and Community Highway Safety - MD Highway Safety Grant FY12	20.600	14,255
State and Community Highway Safety - MD Highway Safety Grant FY13	20.600	24,770
Road Reconstruction - ARRA	20.932	71,398

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, 2013

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<b>Department of Transportation (continued)</b>		
Passed through Mass Transit Administration		
Federal Transit-Capital Investment Grants - MTA Capital FY13	20.500/507	\$ 169,416
Federal Transit-Capital Investment Grants - FY10 - ARRA	20.500/507	4,025,213
Federal Transit-Formula Grants - Section 5307 FY13	20.500/507	951,291
Federal Transit-Formula Grants - Rideshare FY13	20.500/507	88,062
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 FY13	20.505	90,192
MD 22 Corridor Study	20.505	42,785
Passed through Maryland Emergency Management Agency		
HMEP Training FY12	20.703	3,786
<b>Total Department of Transportation</b>		<b><u>5,879,815</u></b>
<b>Department of Homeland Security</b>		
Passed through Maryland Emergency Management Agency		
Critical Infrastructure/CTV-FFY10 UASI	97.008	60,003
CBRNE Protection and Response - FY10 UASI	97.008	48,636
Central Maryland High School Education Alliance - FY12 UASI	97.008	22,501
Incident Management Team - FY10 UASI	97.008	41,318
Training & Conference FY10	97.008	9,044
HAZMAT-FFY11 UASI	97.008	31,933
High School Curriculam Development - FY10 UASI	97.008	15,980
Knowledge Center - FFY11 UASI	97.008	16,211
LETPA Equipment & Training - FY10 UASI	97.008	40,505
LETPA Equipment & Training - FY11 UASI	97.008	58,494
LETPA Equipment & Training - FY12 UASI	97.008	4,023
Mass Notification System -FY11 UASI	97.008	125,666
MCCV Maintenance - FFY10 UASI & FFY12 OASI	97.008	36,640
Emergency Alert System - FFY11 UASI	97.008	588
Regional Planner FY11 & FY10	97.008	171,608
Shelter Suplies - FFY10 UASI	97.008	40,666
Volunteer Mobilization - FY10 UASI	97.008	3,057
CMARC Phase III - FY09 UASI	97.008	528,364
CMARC Phase III - FY10 UASI	97.008	1,394,595
CMARC Phase IV A - FY11 UASI	97.008	148,174
Citizen Corp Program - FY10	97.008	5,985
EMPG FY12	97.042	68,744
Homeland Security Grant Program - FY10	97.073	66,865
State Homeland Security Grant - FY11	97.073	49,820
<b>Total Department of Homeland Security</b>		<b><u>2,989,420</u></b>

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, 2013

<b>Federal Grantor/Pass Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
<b>Department of Health and Human Services</b>		
Passed through Maryland Office of Aging		
Title IIIA - Area Agency FY12	93.042	\$ 21,878
Title IIIA - Area Agency FY13	93.042	58,925
Title IIID FY12	93.043	7,147
Title IIID FY13	93.043	6,030
Title IIIB - Human Services/Ombudsman - FY12	93.044	107,360
Title IIIB - Human Services/Ombudsman - FY13	93.044	144,352
Special Programs for the Aging-Title III, Part C- Home Delivered Meals FY12	93.045	29,248
Special Programs for the Aging-Title III, Part C- Home Delivered Meals FY13	93.045	100,527
Special Programs for the Aging-Title III, Part C- Congregate Nutrition FY12	93.045	43,866
Special Programs for the Aging-Title III, Part C- Congregate Nutrition FY13	93.045	141,707
SMP - Formerly CAMM FY13	93.048	6,494
SMP Expansion FY12	93.048	3,240
SMP Expansion FY13	93.048	4,902
Title IIIE - Caregivers FY12	93.052	47,068
Title IIIE - Caregivers FY13	93.052	41,593
Affordable Care Act - FY12	93.518	2,820
Medicaid Waiver - FY12	93.778	346
Medicaid Waiver - FY13	93.778	73,030
SHIP FY12	93.779	1,331
SHIP FY13	93.779	21,837
MFP - MD Access Point - FY12	93.779	22,372
MFP - MD Access Point - FY13	93.779	105,335
Passed through Maryland Office of Aging (continued)		
Money Follows the Person FY13	93.779	1,013
Passed through Department of Human Services		
Child Support Enforcement - Cooperative Reimbursement FY12	93.563	163,558
Child Support Enforcement - Cooperative Reimbursement FY13	93.563	510,984
Child Support Enforcement - Sheriff Cooperative Reimbursement FY12	93.563	135,767
Child Support Enforcement - Sheriff Cooperative Reimbursement FY13	93.563	375,520
Child Support Enforcement - Sheriff BOSE Incentive FY09	93.563	3,651
Child Support Enforcement - State's Attorney BOSE Incentive FY09	93.563	2,704
Access & Visitation FY12	93.597	27,138
Access & Visitation FY13	93.597	14,888
Passed through the Governor's Office of Crime Control & Prevention		
Trauma Recognition and Certification FY12	93.643	7,187
<b>Total Department of Health and Human Services</b>		<b>2,233,818</b>
<b>Total Indirect Federal Expenditures</b>		<b>11,541,681</b>
<b>Total Expenditures of Federal Awards</b>		<b>\$ 25,423,291</b>

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, 2013**

#### **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 2013 cash or non-cash expenditure activities. For our single audit testing, we tested Federal award programs below with 2013 cash and non-cash expenditures in excess of \$762,280 to ensure coverage of at least 25% of Federally granted funds. Our actual coverage was 46%.

<b>Major Programs</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
Community Development Block Grants/Entitlement Grants Cluster	14.218	\$ 1,063,136
WIA Cluster	17.258/259/278	1,466,755
Federal Transit Grants Cluster (ARRA)	20.500/507	5,233,982
Child Support Enforcement Cluster	93.563	1,192,184
Department of Homeland Security Cluster	97.008	2,803,991
		<u>\$ 11,760,048</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, 2013**

#### **Section I - Summary of Independent Public Accountants' Results**

##### **Financial Statements**

Type of Independent Public Accountants' report issued	Unmodified
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
<b>Federal Awards</b>	
Type of Independent Public Accountants' report issued on compliance for major programs	Unmodified
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, 2013**

#### **Identification of Major Programs:**

<b>Major Programs</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
Community Development Block Grants/Entitlement Grants Cluster	14.218	\$ 1,063,136
WIA Cluster	17.258/259/278	1,466,755
Federal Transit Grants Cluster (ARRA)	20.500/507	5,233,982
Child Support Enforcement Cluster	93.563	1,192,184
Department of Homeland Security Cluster	97.008	2,803,991
		<b><u>\$ 11,760,048</u></b>
Threshold for distinguishing between Type A and B programs		\$762,699
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, 2013**

No Prior Year Findings.