

**HARFORD COUNTY, MARYLAND**

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

**For Year Ended June 30, 2008**



**SB & COMPANY, LLC**  
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## **JUNE 30, 2008 AND 2007**

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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, 2008, 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, 2008, 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, 2008 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.

Our audit was performed for the purpose of forming an opinion on the 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.

*SB's Company, LLC*

Hunt Valley, Maryland  
October 15, 2008



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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 Harford County, Maryland (the County) as of and for the year ended June 30, 2008, and have issued our report thereon dated October 15, 2008. 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 County'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 County's financial statements that is more than inconsequential will not be prevented or detected by the County'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 County's internal control.



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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 would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be 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 Members of the County Council, management and Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*SB's Company, LLC*

Hunt Valley, Maryland  
October 15, 2008



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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, 2008. 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, 2008.



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## **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 County'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 County'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 County'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 County'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 Members of the County Council, management, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*SB's Company, LLC*

Hunt Valley, Maryland  
October 15, 2008

**HARFORD COUNTY, MARYLAND**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<b><u>DIRECT FEDERAL EXPENDITURES</u></b>		
<b>Department of Agriculture</b>		
Oaklyn Manor/Manderville Rd Sewer	10.760	\$ 407,706
Stans Road and Dugar Drive	10.760	145,915
<b>Total Department of Agriculture</b>		<u>553,621</u>
<b>Department of Defense</b>		
BRAC FY07	12.607	1,207,377
BRAC FY08	12.607	111,090
<b>Total Department of Defense</b>		<u>1,318,467</u>
<b>Department of Housing and Urban Development</b>		
Community Development Block Grant FY02	14.218	52,330
Community Development Block Grant FY03	14.218	17,655
Community Development Block Grant FY04	14.218	64,347
Community Development Block Grant FY05	14.218	64,828
Community Development Block Grant FY06	14.218	109,552
Community Development Block Grant FY07	14.218	23,683
Community Development Block Grant FY08	14.218	207,439
Tenant Based Rental Assistance FY06	14.218	146,496
Tenant Based Rental Assistance FY08	14.218	16,072
SHP-Alliance FY04	14.235	40,410
SHP-Alliance FY05	14.235	7,345
SHP-Holy Family House FY05	14.235	26,566
SHP-Anna's House FY05	14.235	25,248
SHP-Alliance FY06	14.235	61,123
SHP-Holy Family House FY06	14.235	62,108
SHP-Anna's House FY06	14.235	86,838
SHP-Anna's House FY06	14.235	52,133
SHP-Alliance FY06	14.235	3,394
Special Loan Administration FY05	14.239	2,397
HOME Program(M-01-UC-24-0202)	14.239	237,350
HOME Program(M-05-UC-24-0202)	14.239	215,992
HOME Program(M-06-UC-24-0202)	14.239	73,325
ADDI FY07	14.239	2,450
Rehab Loans FY07	14.239	161,911
SELP Loans FY07	14.239	47,350
HOME Administrator	14.239	188,096
HOME Program(M-07-UC-24-0202)	14.239	46,980
Housing Counselor FY07	14.169	24,463
Housing Counselor FY08	14.169	16,515
Edgewood Mobile Community Substation FY04	14.246	583

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, 2008**

<b>Federal Grantor/Pass Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
<b>Department of Housing and Urban Development</b>		
<b>(continued)</b>		
FSS Coordinator FY04	14.871	2,467
FSS Coordinator FY07	14.871	51,056
FSS Coordinator FY08	14.871	48,896
Housing Choice Vouchers FY07	14.871	3,545,326
Housing Choice Vouchers FY08	14.871	3,320,472
Section 8 Mainstream FY07	14.871	16,804
Section 8 Mainstream FY08	14.871	449,566
FSS – P. Williams FY04	14.871	15,121
FSS – Y. Moctezuma FY05	14.871	10,913
FSS – Tiffany Sikalis FY08	14.871	2,334
FSS – A. Harvey	14.871	2,969
Small cities Community Development Block Grant – Joppa Area Sewer	14.219	470,000
<b>Total Department of Housing and Urban Development</b>		<b>10,020,903</b>
<b>Department of the Interior</b>		
Stream Gauge Station FY07 & FY08	15.808	24,915
<b>Department of Justice</b>		
Drug Free Community Support FY07	93.276	27,428
Drug Free Community Support FY08	93.276	62,483
Anti-Gang Strategy FY07	93.276	125,074
CINS Diversion FY08	16.738	16,875
Gang Intelligence Initiative FY08	16.738	42,597
Kustom Digital Eyewitness Program FY08	16.738	81,074
Gang Suppression Initiative FY06	16.579	94
Gang Suppression Initiative	16.579	3,509
<b>Total Department of Justice</b>		<b>359,134</b>
<b>Department of Labor</b>		
Trade Adjustment Assistance	17.245	17,632
Healthcare	17.257	5,104
WIA Title I – Admin	17.258/ 17.259/ 17.260	111,904
WIA Title 1- Adult	17.258	397,901
WIA – MD Business Works	17.258	171,699
WIA Title 1 – Youth	17.259	308,290
WIA Title 1 – Dislocated Worker	17.260	263,282
NEG BRAC PY05	17.260	60,000
PY07 BRAC Regional Coordinator	17.260	55,950
PY07 BRAC FT Monmouth	17.260	63,039
PY06 Rapid Response	17.260	35,079
PY07 WIA – Rapid Response	17.260	47,536
Disability Navigator Funds	17.266	9,745
<b>Total Department of Labor</b>		<b>1,547,161</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, 2008

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<b>Corporation for National Service</b>		
RSVP FY07	94.002	39,461
RSVP FY08	94.002	77,739
<b>Total Corporation for National Service</b>		117,200
<b>Total Direct Federal Expenditures</b>		13,941,401
<b><u>INDIRECT FEDERAL EXPENDITURES</u></b>		
<b>Department of Agriculture</b>		
Passed through the Maryland Department of Human Resources		
Emergency Food	10.569	29,763
Conservation Planner	10.902	53,182
<b>Total Department of Agriculture</b>		82,945
<b>Department of Commerce</b>		
Passed through the Maryland Department of Natural Resources		
Critical Area FY08	11.419	33,000
Anita C. Leight Estuary FY07	11.420	11,608
Anita C. Leight Estuary FY08	11.420	42,277
<b>Total Department of Commerce</b>		86,885
<b>Department of Housing and Urban Development</b>		
Passed through the Department of Housing and Community Development		
Emergency Shelter FY06	14.231	2,537
Emergency Shelter FY07	14.231	27,468
Pass through City of Baltimore Department of Housing and Community Development		
HOPWA FY02	14.241	1,875
HOPWA FY03	14.241	1,348
HOPWA FY04	14.241	9,801
HOPWA FY05	14.241	445
HOPWA FY06	14.241	2,233
HOPWA FY07	14.241	67,725
HOPWA FY08	14.241	131,560
HOPWA FY09	14.241	2,722
<b>Total Department of Housing and Urban Development</b>		247,714
<b>Department of Justice</b>		
Passed through the Department of Human Resources		
Child Advocacy Center Family Advocate FY07	16.543	43,953
Domestic Violence Initiative FY07	16.588	2,791
Domestic Violence Initiative FY08	16.588	19,077
Domestic Violence Legal Assistant FY08	16.588	32,322
Domestic Violence Prosecutor Training FY08	16.588	3,479
Passed through the Governor's Office of Crime Control and Prevention		
Rural Multijurisdictional Project FY07	16.590	23,526
Domestic Violence Legal Assistant FY07	16.590	8,438

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, 2008

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<b>Department of Justice (continued)</b>		
Passed through National Children's Alliance		
Child Advocacy Center Training and Equipment FY06	16.543	634
Child Advocacy Center Training and Equipment FY07	16.543	5,215
Child Advocacy Center Training and Equipment FY08	16.543	1,475
<b>Total Department of Justice</b>		140,910
<b>Department of Transportation</b>		
Passed through the State Department of Highways		
Bridge Inspection Program	20.205	345,605
St. Clair Road Bridge	20.205	36,549
Thomas Run Road Bridge	20.205	758,794
Watervale Road Bridge	20.205	29,460
Southampton Road Bridge	20.205	485,556
Moores Mill Road Bridge	20.205	1,467
Smith Property Ph III Ma & Pa Trial	20.219	891,942
Passed through the Baltimore Regional Council of Governments		
Transportation Management FY08	20.505	70,664
Passed through Mass Transit Administration		
MTA Capital FY08	20.500	63,282
Section 5307 FY07	20.507	7,788
Section 5307 FY08	20.507	588,758
Ridesharing FY08	20.507	64,906
Job Access and Reverse Commute FY06	20.516	537
Job Access and Reverse Commute FY08	20.516	62,550
Passed through Department of Transportation Office of Safety Planning		
Alcohol Drug Safety FY07	20.600	43,519
Alcohol Drug Safety FY08	20.600	77,034
DUI/Drug Court Pilot Program FY07	20.600	11,985
DUI/Drug Court Pilot Program FY08	20.600	31,561
Passed through Mema-Pipeline and Hazardous Material Federation Safety Administration		
HMEP Training FY07	20.703	6,917
<b>Total Department of Transportation</b>		3,578,874
<b>Environmental Protection Agency</b>		
Passed through National Fish and Wildlife Federation		
Oaklyn Manor/Mandeville Sewer	66.202	2,400
Stans Road and Dugar Drive	66.202	139,400
Oaklyn Manor/Mandeville Sewer	66.606	423,400
<b>Total Environmental Protection Agency</b>		565,200
<b>Department of Homeland Security</b>		
Passed through Maryland Emergency Management Agency		
Urban Area Safety Initiative – Command Vehicle FY08	97.008	12,746
Urban Area Safety Initiative – CAD Cluster FY08	97.008	83,050
State Homeland Security FY05	97.067	4,733
State Homeland Security FY07	97.067	125,807
State Homeland Security FY08	97.067	119,528
Community Right to Know FY06	97.067	2,500

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, 2008**

<b>Federal Grantor/Pass Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
<b>Department of Homeland Security (continued)</b>		
Community Right to Know FY08	97.067	6,763
Citizen's Corp/CERT	97.067	12,705
Law Enforcement Terrorism	97.067	125,122
Law Enforcement Terrorism Prevention FY07	97.067	137,846
Emergency Management Support	97.067	32,710
Emergency Management Performance Grant FY07	97.042	33,618
Emergency Management Performance Grant FY08	97.042	126,847
Stone Property Elevation FY05	97.039	21,764
1302 Montreal Drive Acquisition FY07	97.039	2,400
Stream Valley Buffer (Montreal)	97.039	227,635
Buffer Zone Protection	97.078	88,950
<b>Total Department of Homeland Security</b>		<b>1,164,724</b>
<b>Department of Health and Human Services</b>		
Passed through Maryland Office of Aging		
Title IIIA FY07	93.042	28,077
Title IIIA FY08	93.042	14,078
Title IIID FY07	93.043	4,542
Title IIID FY08	93.043	5,060
Title IIIB FY07	93.044	51,047
Title IIIB FY08	93.044	158,900
Title IIIC FY07	93.045	60,459
Title IIIC FY08	93.045	186,495
Title IIIE FY07	93.052	26,652
Title IIIE FY08	93.052	49,090
NSIP FY07	93.053	17,589
Passed through Maryland Office of Aging		
NSIP FY08	93.053	13,252
Passed through Department of Human Services		
Sheriff Cooperative Reimbursement FY07	93.563	126,456
Sheriff Cooperative Reimbursement FY08	93.563	352,186
Cooperative Reimbursement FY07	93.563	144,481
Cooperative Reimbursement FY08	93.563	433,644
BOSE Incentive FY07	93.563	3,351
Curb Abuse of Medicare and Medicaid FY08	93.048	7,354
Passed through Maryland Office on Aging		
Medicaid Waiver FY08	93.778	76,993
SHIP FY08	93.779	20,243
SHIP FY09	93.779	805
Passed through Department of Health and Mental Hygiene		
PACE Program FY08	93.283	5,998
Prevention Services FY08	93.959	101,452
Passed through Administration for Children and Families		
Family Recovery Court FY06	93.586	21,292
Family Recovery Court FY07	93.586	63,542
Family Recovery Court FY08	93.586	78,163
<b>Total Department of Health and Human Services</b>		<b>2,051,201</b>
<b>Total Indirect Federal Expenditures</b>		<b>7,918,453</b>
<b>Total Expenditures of Federal Awards</b>		<b>\$ 21,859,854</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, 2008

### 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 2008 cash or non-cash expenditures activities. For our single audit testing, we tested Federal award programs below with 2008 cash and non-cash expenditures in excess of \$655,796 to ensure coverage of at least 25% of Federally granted funds. Our actual coverage was 30%.

<b>Major Programs</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
BRAC	12.607	\$ 1,318,467
SHP Alliance/ Anna's House	14.235	365,165
HOME/ ADDI	14.239	975,851
HOPWA	14.241	217,709
Highway Planning and Construction	20.205	1,657,431
Aging Cluster	93.044/93.045/93.053	487,742
Homeland Security Cluster	97.067	567,714
Smith Property, Ph III Ma & Pa Trail	20.219	891,942
		<u>\$ 6,482,021</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, 2008**

**Section I - Summary of Independent Public Accountant's Results**

**Financial Statements**

Type of auditors 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 Auditor's 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:**

<b>Major Programs</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
BRAC	12.607	\$ 1,318,467
SHP Alliance/ Anna's House	14.235	365,165
HOME/ ADDI	14.239	975,851
HOPWA	14.241	217,709
Highway Planning and Construction	20.205	1,657,431
Aging Cluster	93.044/93.045/93.053	487,742
Homeland Security Cluster	97.067	567,714
Smith Property, Ph III Ma & Pa Trail	20.219	891,942

**HARFORD COUNTY, MARYLAND**

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

Threshold for distinguishing between Type A and B programs	655,796
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Did the County qualify as a low risk auditee?	Yes
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**Section II – Financial Statement Findings**

None noted.

**Section III - Federal Award Findings**

None noted.

## **HARFORD COUNTY, MARYLAND**

### **Schedule of Prior Year Audit Findings For the Year Ended June 30, 2008**

#### **Finding 07-01**

**Condition:** The State Homeland Security Grant and Law Enforcement Terrorism Prevention Grants, CFDA# 97.067, require that the subgrantee submit quarterly reports to the cognizant agency. There was one instance where these reports were not submitted timely in accordance with the grant agreement.

**Questioned Costs:** None.

**Recommendation:** The County should ensure that quarterly reports are submitted timely.

**Auditee Response:** The County agrees that reports to the cognizant agency must be submitted timely. The appropriate personnel of all departments and agencies have been notified that reports must be filed timely and that the Department of the Treasury will be monitoring their compliance.

**Status:** There were no findings in 2008 related to timeliness of report filings.

#### **Finding 06-01**

**Condition:** The State Domestic Preparedness Equipment Support Grant, CFDA# 97.067, Homeland Security Grant Program, CFDA# 97.004, and the Urban Areas Security Initiative Grant Program, CFDA# 97.008, require that the subgrantee submit quarterly reports to the cognizant agency. These reports covering the period July 1, 2005 to January 1, 2006, were not submitted timely in accordance with the grant agreement; however, the reports for the period January 1, 2006 to June 30, 2006, were submitted on a timely basis.

**Questioned Costs:** None.

**Auditee Response:** The County agrees that reports to the cognizant agency must be submitted timely. Treasury staff addressed the issue with the department responsible for these grants and, subsequently reports are being submitted timely. Treasury will continue to monitor report submissions to ensure continued compliance with reporting requirements.

**Status:** There were no findings in 2008 related to timeliness of report filings.