





HARFORD COUNTY, MARYLAND

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

For the Year Ended June 30, 2011



SB & COMPANY, LLC
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JUNE 30, 2011

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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, 2011 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, 2011, 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 September 27, 2011, 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.



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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.

Hunt Valley, Maryland
September 27, 2011

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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, 2011, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 27, 2011. 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.

Hunt Valley, Maryland
September 27, 2011

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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, 2011. 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 Board of Education, 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, 2011. Our audit described below does not include the operations of the Harford County Board of Education, 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, 2011.



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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 other supplementary information, as indicated in the table of contents, 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
September 27, 2011

HARFORD COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

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	\$ 103,395
Department of Defense		
BRAC FY08	12.607	232,509
BRAC FY10	12.607	338,317
BRAC FY11	12.607	81,678
Total Department of Defense		652,504
Department of Housing and Urban Development		
Housing Counseling Assistance Program FY10	14.169	21,836
Housing Counseling Assistance Program FY11	14.169	22,081
Community Development Block Grants/Entitlement Grants FY09	14.218	52,334
Community Development Block Grants/Entitlement Grants FY10	14.218	173,552
Community Development Block Grants/Entitlement Grants FY11	14.218	307,242
Community Development Block Grants/Entitlement Grants - TBRA FY09	14.218	86,132
Community Development Block Grants/Entitlement Grants - Home FY11	14.218	249,153
Community Development Block Grants/Entitlement Grants - Washington Court	14.218	198,884
Neighborhood Conservation Initiative - Washington Court	14.228	345,281
Washington Court Demolition - HERA FY10	14.256	10,904
Supportive Housing Program - Alliance FY09	14.235	5,001
Supportive Housing Program - Alliance FY10	14.235	7,784
Supportive Housing Program - Alliance FY11	14.235	122,530
Supportive Housing Program - Harford Family House FY10	14.235	23,680
Supportive Housing Program - Harford Family House FY11	14.235	62,829
Supportive Housing Program - Anna's House FY10	14.235	36,206
Supportive Housing Program - Anna's House FY11	14.235	230,999
Supportive Housing Program - FCCAU FY10	14.235	10,537
Supportive Housing Program - FCCAU FY11	14.235	3,959
HOME Investment Partnerships Program - Rehab Loans FY07	14.239	44,914
HOME Investment Partnerships Program - SELP Loans FY11	14.239	6,769
HOME Investment Partnerships Program - ADDI FY09	14.239	714
HOME Investment Partnerships Program - HOME Administrator FY11	14.239	57,387
Harford Community Action Agency - CDBGR	14.253	200,000
Washington Court - ARRA	14.253	45,179
Homelessness Prevention and Rapid Re-Housing Program - ARRA	14.257	36,895
Homelessness Prevention and Rapid Re-Housing Program	14.257	179,419
Section 8 Housing Choice Vouchers - FSS Coordinator FY10	14.871	42,675
Section 8 Housing Choice Vouchers - Billed Vouchers FY05	14.871	58,123

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, 2011**

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 FY09	14.871	\$ 300
Section 8 Housing Choice Vouchers FY10	14.871	4,007,959
Section 8 Housing Choice Vouchers FY11	14.871	3,423,797
Section 8 Housing Choice Vouchers - Mainstream FY11	14.871	543,566
Section 8 Housing Choice Vouchers - Admin FY11	14.871	222,255
Total Department of Housing and Urban Development		<u>10,840,876</u>
Department of the Interior		
Stream Gauge Station FY10	15.808	<u>4,411</u>
Department of Justice		
CASA - OJJDP FY11	16.547	34,500
Public Safety Partnership and Community Policing Grants - Radio Equipment	16.710	750,000
Public Safety Partnership and Community Policing Grants - COPS FY10	16.710	80,552
Edward Byrne Memorial Justice Assistance Grant Program - JAG FY09	16.738	21,689
In Car Cameras - ARRA	16.804	6,156
Total Department of Justice		<u>892,897</u>
Department of Labor*		
WIA Adult Program FY09	17.258	447,361
WIA Adult Program/Youth Activities/Dislocated Workers - Youth Supplemental FY10 - ARRA	17.258/259/260	25,330
WIA Adult Program/Youth Activities/Dislocated Workers FY10 - ARRA	17.258/259/260	79,993
WIA Adult Program/Youth Activities/Dislocated Workers - Incentive FY11	17.258/259/260	36,484
WIA Adult Program/Youth Activities/Dislocated Workers - Bus Works FY10 - ARRA	17.258/259/260	155,704
WIA Adult Program/Youth Activities/Dislocated Workers - BRAC FY11	17.258/259/260	34,159
WIA Adult Program/Youth Activities/Dislocated Workers - Statewide	17.258/259/260	136,259
WIA Youth Activities FY10 - ARRA	17.259	40,292
WIA Youth Activities FY11	17.259	331,610
WIA Dislocated Workers - Rapid Response FY11 - ARRA	17.260	39,979
WIA Dislocated Workers - Early Intervention FY11	17.260	61,024
WIA Dislocated Workers FY10	17.260	509,798
State Energy Sector - ARRA	17.275	114,143
Temp Assist Needy Families FY10	93.558	87,961
Total Department of Labor		<u>2,100,097</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, 2011**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Corporation for National Service		
RSVP FY10	94.002	\$ 88,511
RSVP FY11	94.002	60,972
Total Corporation for National Service		<u>149,483</u>
Department of Energy		
Energy Efficiency and Conservation Block Grant Program FY10 - ARRA	81.128	89,817
Energy Efficiency and Conservation Block Grant Program - Facilities and Repair - ARRA	81.128	287,747
Energy Efficiency and Conservation Block Grant Program - Roof Replacement - Ring Factory - ARRA	81.128	500,000
Energy Efficiency and Conservation Block Grant Program - Edgewood Library - HVAC - ARRA	81.128	26,112
Energy Efficiency and Conservation Block Grant Program - Fallston Library- HVAC - ARRA	81.128	24,851
Total Department of Energy		<u>928,527</u>
Department of Health And Human Services		
Drug Free Community Support FY10	93.276	39,728
Anti-Gang Strategy FY09	93.276	23,664
Affordable Care Act FY11	93.518	6,068
Total Department of Health And Human Services		<u>69,460</u>
Total Direct Federal Expenditures		<u>15,741,650</u>
<u>INDIRECT FEDERAL EXPENDITURES</u>		
Department of Agriculture		
Passed through the Maryland Department of Human Resources		
Emergency Food Assistance Program (Food Commodities) FY10	10.569	10,793
Emergency Food Assistance Program (Food Commodities) FY11	10.569	20,000
Passed through the Maryland Department of Agriculture		
Conservation Planner FY11	10.902	72,534
Total Department of Agriculture		<u>103,327</u>
Department of Commerce		
Passed through the Maryland Department of Natural Resources		
Wheel Creek Watershed Restoration	11.419	25,000
Leight Park O&M FY10	11.420	12,439
Anita C. Leight Estuary FY09	11.420	43,284
Public Safety Interoperable Communications Grant Program FY09	11.555	1,614,001
Total Department of Commerce		<u>1,694,724</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, 2011

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		
Neighborhood Conservation Initiative - Washington Court Demo FY10*	14.228	\$ 37,717
Emergency Shelter FY10	14.231	980
Emergency Shelter FY11	14.231	8,974
Passed through the Mayor and City Council of Baltimore		
Housing Opportunities for Persons with AIDS FY03	14.241	898
Housing Opportunities for Persons with AIDS FY06	14.241	551
Housing Opportunities for Persons with AIDS FY07	14.241	265
Housing Opportunities for Persons with AIDS FY09	14.241	1,968
Housing Opportunities for Persons with AIDS FY10	14.241	84,160
Total Department of Housing and Urban Development		<u>135,513</u>
Department of Justice		
Passed through the Governors Office of Crime Control and Prevention		
Badges for Baseball FY10	16.541	17,705
Family Justice Center FY10 - ARRA	16.579	1,164
National Crime Victims Rights Week FY11	16.582	2,177
Domestic Violence Initiative FY10	16.588	7,946
Domestic Violence Initiative FY11	16.588	15,000
Domestic Violence Legal Assistant FY10	16.588	11,596
Domestic Violence Legal Assistant FY11	16.588	32,991
Alcohol/Drug Highway Safety FY11	16.727	29,926
Paraben Certified Mobile Examiner FY11	16.738	2,714
Complex Case Initiative FY11	16.738	37,660
Technology Upgrade FY10 - ARRA	16.803	771
E-Ticket Implementation FY10 - ARRA	16.803	1,724
Passed through the National Children's Alliance		
Child Advocacy Center Training FY11	16.543	3,505
Child Advocacy Center Training FY10	16.543	10,000
Total Department of Justice		<u>174,879</u>
Department of Transportation		
Passed through the State Department of Highways		
Highway Planning and Construction - MD Safe Routes to School FY10	20.205	2,047
Highway Planning and Construction - Southampton Road Bridge #47	20.205	435,909
Highway Planning and Construction - Harford Creamery Road Bridge Design	20.205	33,145
Highway Planning and Construction - Harford Creamery Road Bridge Phase 2	20.205	38,831
Highway Planning and Construction - Watervale Road Bridge (Design)	20.205	83,732
Highway Planning and Construction - Bridge Inspection Program	20.205	51,574
Highway Planning and Construction - Carrs Mill Road Bridge	20.205	33,938
State and Community Highway Safety - DUI Drug Court Improvements FY10	20.600	21,803
State and Community Highway Safety - DUI Drug Court Improvements FY11	20.600	32,321
Road Reconstruction - ARRA	20.932	1,306,229
Wheel Rd/ Laurel Bush Intersection - ARRA	20.932	723,614

*This grant is 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, 2011

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	\$ 4,642
Federal Transit-Capital Investment Grants - MTA Capital FY11	20.500	47,123
Federal Transit-Capital Investment Grants - FY10 - ARRA	20.500	109,223
Federal Transit-Formula Grants - Section 5307 FY11	20.507	940,064
Federal Transit-Formula Grants - Rideshare FY10	20.507	1
Federal Transit-Formula Grants - Rideshare FY11	20.507	88,066
Job Access-Reverse Commute FY09	20.516	1,710
New Freedom Program FY10	20.521	29,977
Passed through the Baltimore Metropolitan Council		
Transportation Management FY10	20.505	90,298
Passed through Maryland Emergency Management Agency		
HMEP Training FY10	20.703	3,786
Total Department of Transportation		<u>4,078,033</u>
Environmental Protection Agency		
Passed through National Fish and Wildlife Federation		
Watershed Stream Assessment Studies	66.466	<u>10,000</u>
Department of Homeland Security		
Passed through Maryland Emergency Management Agency		
Incident Management Team - FY10 UASI	97.008	4,100
Mass Care Shelter FY11	97.008	10,900
UASI Conference FY09	97.008	4,297
Tactical Team Equipment and Training FY09	97.008	4,725
MCCV Maintenance FY09	97.008	41,940
IMT/Leadership Training - FY08	97.008	10,595
CBRNE Detection and Response FY09	97.008	21,107
Volunteer Mobilization FY09	97.008	18,154
Web EOC Maintenance FY09	97.008	48,266
HSGP - CMARC Phase III FY09	97.008	1,013,500
Homeland Security Grant Program - UASI - Mass Notification System -FY11	97.067	125,666
Homeland Security Grant Program - Regional Planner FY11	97.067	30,178
Homeland Security Grant Program - Volunteer Mobilization	97.067	2,238
Homeland Security Grant Program - UASI - EAS Emnet Software	97.067	1,556
Homeland Security Grant Program - UASI - Mobile Comm. Vehicle Mainten.	97.067	10,615
Homeland Security Grant Program - UASI - Uasi - Cmarc Phase III	97.067	1,961,951
Homeland Security Grant Program - UASI - Emnet Pc Upgrades	97.067	2,105
Homeland Security Grant Program - UASI - Intelligence Equipment FY10	97.067	33,084
Homeland Security Grant Program - UASI - Ens Reverse 911 Geocoding	97.067	10,000
Homeland Security Grant Program - UASI - Hazmat FY10	97.067	26,383
Homeland Security Grant Program - UASI - K-9 and Training FY10	97.067	2,526
Homeland Security Grant Program - UASI - Tactical Equipment	97.067	16,218
Homeland Security Grant Program - UASI - High School Education Prog	97.067	40,178
Homeland Security Grant Program - UASI - Quick Response Training	97.067	7,076
Homeland Security Grant Program - UASI - Web EOC Software Upgrade	97.067	14,900

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, 2011**

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 - Radio Equipment	97.067	\$ 197,006
Homeland Security Grant Program - UASI - Emergency Planners	97.067	137,473
Emergency Management Performance Grant FY11	97.042	169,129
Citizen Corps	97.073	8,148
Homeland Security Grant Program FY09	97.073	185,375
Homeland Security Grant Program FY10	97.073	83,323
Homeland Security Grant Program FY11	97.073	28,682
Interoperable Emergency Comm. FY09	97.055	31,128
Interoperable Emergency Comm. FY10	97.055	194,000
Buffer Zone Protection FY11	97.078	61,111
Total Department of Homeland Security		<u>4,557,633</u>
Department of Health and Human Services		
Passed through Maryland Office of Aging		
Title IIIA - Area Agency FY10	93.042	32,151
Title IIIA - Area Agency FY11	93.042	43,953
Title IIID FY10	93.043	6,148
Title IIID FY11	93.043	8,360
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers FY10	93.044	119,243
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers FY11	93.044	138,793
Special Programs for the Aging-Title III, Part C- Home Delivered Meals FY10	93.045	33,065
Special Programs for the Aging-Title III, Part C- Home Delivered Meals FY11	93.045	89,547
Special Programs for the Aging-Title III, Part C- Congregate Nutrition FY10	93.045	41,275
Special Programs for the Aging-Title III, Part C- Congregate Nutrition FY11	93.045	141,701
SMP - Formerly CAMM FY10	93.048	145
SMP - Formerly CAMM FY11	93.048	6,749
SMP Expansion FY11	93.048	502
Title IIIE - Caregivers FY10	93.052	28,409
Title IIIE - Caregivers FY11	93.052	46,917
Nutrition Program - ARRA	93.705	8,614
Medical Assistance Program - Medicaid Waiver FY11	93.778	101,331
SHIP FY11	93.779	21,512
SHIP FY12	93.779	347
MIPPA FY11	93.779	3,475

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, 2011**

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 FY11	93.779	\$ 3,342
Passed through Department of Human Services		
Child Support Enforcement - Cooperative Reimbursement FY10	93.563	148,383
Child Support Enforcement - Cooperative Reimbursement FY11	93.563	516,324
Child Support Enforcement - Sheriff Cooperative Reimbursement FY10	93.563	124,744
Child Support Enforcement - Sheriff Cooperative Reimbursement FY11	93.563	371,173
Child Support Enforcement - BOSE Incentive FY05	93.563	1,347
Child Support Enforcement - BOSE Incentive FY06	93.563	3,308
Child Support Enforcement - BOSE Incentive FY08	93.563	43
Child Support Enforcement - BOSE Incentive FY10	93.563	2,016
Child Support Enforcement - BOSE Incentive FY10 - ARRA	93.563	121
Access & Visitation FY10	93.597	41,344
Passed through the Governor's Office of Crime Control & Prevention		
Trauma Recognition and Certification FY10	93.643	16,445
Trauma Recognition and Certification FY11	93.643	41,158
Passed through Department of Health and Mental Hygiene		
Block Grants for Prevention and Treatment of Substance Abuse FY10	93.959	112,972
Total Department of Health and Human Services		<u>2,254,957</u>
Total Indirect Federal Expenditures		<u>13,009,066</u>
Total Expenditures of Federal Awards		<u>\$ 28,750,716</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, 2011

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 2011 cash or non-cash expenditure activities. For our single audit testing, we tested Federal award programs below with 2011 cash and non-cash expenditures in excess of \$862,521 to ensure coverage of at least 25% of Federally granted funds. Our actual coverage was 28%.

Major Programs	CFDA Number	Federal Expenditures
Deer Creek Watershed Restoration	10.902	\$ 103,395
Conservation Planner FY11	10.902	72,534
BRAC	12.607	652,504
Neighborhood Conservation Initiative - Washington Court	14.228	345,281
Neighborhood Conservation Initiative - Washington Court Demo FY10	14.228	37,717
Homelessness Prevention and Rapid Re-Housing Program - ARRA	14.257	216,314
Public Safety Partnership and Community Policing Grants	16.710	830,552
Road Reconstruction - ARRA	20.932	1,306,229
Wheel Rd/ Laurel Bush Intersection - ARRA	20.932	723,614
Energy Efficiency and Conservation Block Grant Program - ARRA	81.128	928,527
Homeland Security Grant Program	97.067	2,619,153
State Energy Sector - ARRA	17.275	114,143
		\$ 7,949,963

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, 2011**

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 are 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, 2011**

Identification of Major Programs:

<u>Major Programs</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Deer Creek Watershed Restoration	10.902	\$ 103,395
Conservation Planner FY11	10.902	72,534
BRAC	12.607	652,504
Neighborhood Conservation Initiative - Washington Court	14.228	345,281
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Wheel Rd/ Laurel Bush Intersection - ARRA	20.932	723,614
Energy Efficiency and Conservation Block Grant Program - ARRA	81.128	928,527
Homeland Security Grant Program	97.067	2,619,153
State Energy Sector - ARRA	17.275	114,143
		<u>\$ 7,949,963</u>

Threshold for distinguishing between
Type A and B programs

\$862,521

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, 2011**

No Prior Year Findings.