

**FREDERICK COUNTY, MARYLAND**

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

**For the Year Ended June 30, 2019**



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**JUNE 30, 2019**

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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

County Executive, Jan H. Gardner  
Members of the County Council  
Frederick County, Maryland

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

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 Frederick County, Maryland (the County), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements.

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

The 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 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 from 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.



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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, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance 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, the schedule of changes in net pension liability and related ratios, schedule of employer contributions - Frederick County Employees Retirement Plan, schedule of changes in net pension liability and related ratios, schedule of employer contributions - Frederick County Length of Service Awards Program, schedule of changes in net OPEB liability and related ratios, and schedule of employer contribution - Frederick County Retiree Health Benefit Plan 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 sufficient evidence to express an opinion or provide any assurance.



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#### *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 introductory, combining and individual fund statements, budgetary comparison schedules, capital assets used in the operation of governmental funds, statistical section, and the schedule of expenditures of Federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund statements, budgetary comparison schedules, capital assets used in the operation of governmental funds and the schedule of expenditures of Federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund statements, budgetary comparison schedules, capital assets used in the operation of governmental funds and the schedule of expenditures of Federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2019 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Owings Mills, Maryland  
November 14, 2019

*SBC & Company, LLC*



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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***

County Executive, Jan H. Gardner  
Members of the County Council  
Frederick 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 the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Frederick County, Maryland (the County) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 14, 2019.

**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 a 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.

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 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.



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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Owings Mills, Maryland  
November 14, 2019

*SBC & Company, LLC*



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

County Executive, Jan H. Gardner  
Members of the County Council  
Frederick County, Maryland

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

We have audited Frederick County, Maryland's (the County's) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) 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, 2019. 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 each of 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 compliance audit 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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 of the County's compliance.



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### ***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, 2019.

### **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 for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Owings Mills, Maryland  
December 20, 2019

*SBC & Company, LLC*

# FREDERICK COUNTY, MARYLAND

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures	Cluster Total	Amounts Provided to Subrecipients
<b>U.S. Department of Housing and Urban Development</b>					
Pass-through Maryland Department of Housing and Community Development					
Community Development Block Grant Program	14.228	MD-17-CD-25	\$ 355,000		
Community Development Block Grant Program	14.228	MD-18-CD-2	80,000		
Emergency Shelter Grant Program	14.231	Unknown	29,819		\$ 29,819
Section 8 Project-Based Cluster					
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	Unknown	127,651		\$ 127,651
Total Section 8 Project-Based Cluster					
Housing Voucher Cluster:					
Section 8 Housing Choice Voucher	14.871	Unknown	6,988,507		6,988,507
Total Housing Voucher Cluster					
Total U.S. Department of Housing and Urban Development					<u>7,580,977</u>
<b>U.S. Department of the Interior</b>					
Payments in Lieu of Taxes	15.226	Unknown	<u>27,954</u>		
Total U.S. Department of the Interior			<u>27,954</u>		
<b>U.S. Department of Justice</b>					
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0070	26,902		
State Criminal Alien Assistance Program	16.606	2019-AP-BX-0327	35,690		
Equitable Sharing Program	16.922	Unknown	78,681		
Pass-through Governor's Office of Crime Control and Prevention					
Crime Victim Assistance	16.575	VOCA-2015-0027	34,142		
Crime Victim Assistance	16.575	VOCA-2015-0016	6,891		
Crime Victim Assistance	16.575	VOCA-2015-0108	53,132		
Crime Victim Assistance	16.575	VOCA-2015-0069	10,098		
Crime Victim Assistance	16.575	VOCA-2016-0109	4,220		
Crime Victim Assistance	16.575	VOCA-2016-0018	20,479		
Crime Victim Assistance	16.575	VOCA-2017-002	146,411		
Crime Victim Assistance	16.575	VOCA-2017-0052	35,316		
Crime Victim Assistance	16.575	VOCA-2017-0062	46,521		
Violence Against Women	16.588	VAWA-2016-0059	5,436		
Violence Against Women	16.588	VAWA-2018-0017	25,199		
Total U.S. Department of Justice			<u>529,118</u>		
<b>U.S. Department of Labor</b>					
Pass-through Maryland Department of Labor, Licensing and Regulation					
Employment Service Cluster:					
Employment Service/Wagner-Peyser Funded Activities	17.207	Unknown	18,758		
Disabled Veterans' Outreach Program	17.801	Unknown	3,681		
Total Employment Service Cluster:					<u>22,439</u>
Unemployment Insurance	17.225	Unknown	3,681		
Senior Community Service Employment Program	17.235	Unknown	1,228		
Trade Adjustment Assistance	17.245	Unknown	366		
WIA Cluster:					
WIOA Adult Program	17.258	Unknown	994		
WIOA Adult Program	17.258	POOP84-FR-Branding	4,225		
WIOA Adult Program	17.258	POOP94-FR-FY19-A	147,378		
WIOA Adult Program	17.258	POOP94-FR-PY18-A	42,869		
WIOA Adult Program	17.258	POOP84-FR-FY18-A	98,778		
WIOA Adult Program	17.258	POOP84-FR-PY17-A	201		

# FREDERICK COUNTY, MARYLAND

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures	Cluster Total	Amounts Provided to Subrecipients
<b>U.S. Department of Labor (continued)</b>					
Pass-through Maryland Department of Labor, Licensing and Regulation (continued)					
WIOA Youth Activities	17.259	Unknown	\$ 1,336		
WIOA Youth Activities	17.259	POOP94FR-PY18-Y	235,499		
WIOA Youth Activities	17.259	POOP84-FR-PY17-D	68,597		
WIOA Youth Activities	17.259	POOP94-FR-PY18-D	28,626		
WIOA Youth Activities	17.259	POOP84-FR-Branding	4,662		
WIOA Dislocated Workers	17.278	Unknown	1,097		
WIOA Dislocated Workers	17.278	POOP94-FR-PY19-D	61,915		
WIOA Dislocated Workers	17.278	POOP94-FR-FY19-D	51,309		
WIOA Dislocated Workers	17.278	POOP84-FR-PY18-D	214,875		
WIOA Dislocated Workers	17.278	POOP84-FR-FY18-D	181,764		
WIOA Dislocated Workers	17.278	POOP74-FR-FY17-D	25,365		
WIOA Dislocated Workers	17.278	POOP84-FR-Branding	5,682		
Total WIA Cluster				\$ 1,175,172	
Temporary Labor Certification for Foreign Workers	17.273	Unknown	2,998		
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	POOP94-FR-NHE	4,219		
Total U.S. Department of Labor				1,210,103	
<b>U.S. Department of Transportation</b>					
Pass-through Maryland Department of Transportation					
Highway Research and Development Program	20.200	Unknown	62,265		
Highway Planning and Construction Cluster:					
Highway Planning and Construction- Bridge Projects	20.205	FR629ZM1	83,466		
Highway Planning and Construction- Bridge Projects	20.205	FR5000ZM1	7,016		
Highway Planning and Construction- Bridge Projects	20.205	FR170M81	227,608		
Highway Planning and Construction- Bridge Projects	20.205	FR155B21	25,256		
Total Highway Planning and Construction Cluster					343,346
Federal Transit Cluster:					
Federal Transit - Formula Grants - Mass Transit/Capital Outlay	20.507	FR085307C2017	482,049		
Federal Transit - Formula Grants - Mass Transit/Capital Outlay	20.507	ZD0107	119,895		
Federal Transit - Formula Grants - Mass Transit/Capital Outlay	20.507	FR085307C2018	1,041,935		
Federal Transit - Formula Grants - Mass Transit/Capital Outlay	20.507	FR085311C2018	40,917		
Federal Transit - Formula Grants - Mass Transit/Capital Outlay	20.507	FR08530702019	2,050,267		
Total Federal Transit Cluster					3,735,063
Formula Grants for Rural Areas - Rural Public Transportation	20.509	FR085339C2019	168,904		
Formula Grants for Rural Areas - Rural Public Transportation	20.509	FR085307C2019	517,799		
Formula Grants for Rural Areas - Rural Public Transportation	20.509	FR085311O2019	204,528		
Interagency Hazardous Materials Public Sector Training & Planning	20.703	HM-HMP-0546-16-01-00	11,400		
Total U.S. Department of Transportation					5,043,305
<b>U.S. Department of the Treasury</b>					
Equitable Sharing Program	21.016	Unknown	32,200		
Total U.S. Department of the Treasury					32,200
<b>National Endowment for the Humanities</b>					
Pass-through Maryland State Department of Education					
State Library Program	45.310	519112	15,000		
State Library Program	45.310	519512	15,000		
State Library Program	45.310	519230	31,216		
Total National Endowment for Humanities					61,216

# FREDERICK COUNTY, MARYLAND

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures	Cluster Total	Amounts Provided to Subrecipients
<b>U.S. Department of Education</b>					
Pass-through Maryland Department of Education					
Adult Education - Basic Grants to States	84.002	Unknown	\$ 1,228		
Career and Technical Education- Basic Grants to States	84.048	Unknown	1,228		
Special Education Cluster:					
Special Education- Grant to States- Individuals Disabilities Education Act (IDEA part B)	84.027	180351	1,592		
Special Education- Grant to States- Individuals Disabilities Education Act (IDEA part B)	84.027	45619	15,799		
Special Education- Grant to States- Individuals Disabilities Education Act (IDEA part B)	84.027	H027A160035-16A	30,809		
Special Education- Grant to States- Individuals Disabilities Education Act (IDEA part B)	84.027	H027A180035	114,456		
Special Education- Preschool Grants- Individuals Disabilities Education Act (IDEA part B 619)	84.173	H173A140089	9,046		
Special Education- Preschool Grants- Individuals Disabilities Education Act (IDEA part B 619)	84.173	H173A180089	7,000		
Total Special Education Cluster					\$ 178,702
Rehabilitation Services - DORS Year Round	84.126	H126A180027	109,407		
Rehabilitation Services - DORS Year Round	84.126	H126A170027	58,174		
Rehabilitation Services - DORS Year Round	84.126	Unknown	3,363		
Special Education - Grants for Infants and Families with Disabilities - Individuals Disabilities Education Act (IDEA part C)	84.181	180351	33,623		
Special Education - Grants for Infants and Families with Disabilities - Individuals Disabilities Education Act (IDEA part C)	84.181	H181A180124	249,034		
Special Education - Grants for Infants and Families with Disabilities - Individuals Disabilities Education Act (IDEA part C)	84.181	180351			3,314
Total U.S. Department of Education					<u>638,073</u>
<b>U.S. Department of Health and Human Services</b>					
Pass-through Maryland Office of Aging					
Special Programs for the Aging - Title VII, Chapter 3 - Prevention of Elder Abuse, Neglect, and Exploitation	93.041	18AAMDT&EA	2,068		
Special Programs for the Aging - Title VII, Chapter 3 - Prevention of Elder Abuse, Neglect, and Exploitation	93.041	1901MDOAEA	1,319		
Special Programs for the Aging - Title VII, Chapter 2 - Ombudsman Services for Older Individuals	93.042	18AAMDT7OM	6,555		
Special Programs for the Aging - Title VII, Chapter 2 - Ombudsman Services for Older Individuals	93.042	1901MDOAOM	4,529		
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	18AMDT3PH	2,340		
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	1901MDOAPH	6,632		
Aging Cluster:					
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	18AAMDT73SS	20,546		
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	1901MDOASS	208,443		
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	18AAMDT73CM	45,100		
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	18AAMDT73HD	34,461		
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	1901MDOACM	129,650		
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	1901MDOAHD	52,133		
Nutrition Services Incentive Program	93.053	18AAMDNSIP	12,811		
Nutrition Services Incentive Program	93.053	1901MDOANS	54,662		
Total Aging Cluster					<u>557,806</u>

# FREDERICK COUNTY, MARYLAND

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures	Cluster Total	Amounts Provided to Subrecipients
<b>U.S. Department of Health and Human Services (continued)</b>					
Pass-through Maryland Office of Aging (continued)					
Special Programs for the Aging - Title IV and Title II - Discretionary Projects	93.048	90MPPG0001-01-00	\$ 3,795		
National Family Caregiver Support - Title III, Part E	93.052	18AAMDT3FC	33,037		
National Family Caregiver Support - Title III, Part E	93.052	1901MDOAFAC	49,000		
Medicare Enrollment Assistance Program- MIPPA	93.071	1801MDMISH-00	2,731		
Medicare Enrollment Assistance Program- MIPPA	93.071	1801MDMIAA-00	1,512		
Medicare Enrollment Assistance Program- MIPPA	93.071	1801MDMIDR-00	1,795		
Medicare Enrollment Assistance Program- MIPPA	93.071	1701MDMISH-010-767	2,509		
Medicare Enrollment Assistance Program- MIPPA	93.071	1701MMMIAA-01-424	1,407		
Medicare Enrollment Assistance Program- MIPPA	93.071	1701MDMIDR-01-504	1,662		
State Health Insurance Assistance Program	93.324	90SAP-G0003-02-01	6,515		
State Health Insurance Assistance Program	93.324	651518/09	15,400		
Medicaid Cluster:					
Balancing Incentives Program	93.778	Unknown	5,380		
Total Medicaid Cluster				\$ 5,380	
Pass-through Maryland Department of Human Resources					
Promoting Safe and Stable Families	93.556	FCDSS/CW-19-001	170,000		
TANF Cluster:					
Temporary Assistance for Needy Families (TANF)	93.558	FCDSS/FIA 19-001	7,229		
Temporary Assistance for Needy Families (TANF)	93.558	FCDSS/FIA 19-002	6,118		
Temporary Assistance for Needy Families (TANF)	93.558	Unknown	3,363		
Total TANF Cluster				16,710	
Child Support Enforcement	93.563	CSEA/CRA 18-014	237,906		
Child Support Enforcement	93.563	CSEA/CRA 19-014	704,384		
Child Support Enforcement	93.563	CSEA/CRA-18-047	3,684		
Child Support Enforcement	93.563	CSEA/CRA-19-047	11,100		
Pass-through Maryland Family Network					
Community-Based Child Abuse Prevention Grant- Family Support Center	93.590	G1501MDFRPG	30,000		
Pass-through Maryland Living Well Center of Excellence					
Maryland Living Well Center of Excellence-MAC Inc	93.734	Unknown	5,692		
Pass-through Maryland Institute for Emergency Medical Services Systems					
Hospital Preparedness Program Ebola Preparedness and Response Activities	93.817	EMSHCID-001	237		
Total U.S. Department of Health and Human Services				<u>1,885,705</u>	
<b>Corporation for National and Community Service</b>					
Pass-through Maryland Department of Labor, Licensing and Regulation					
Retired and Senior Volunteer Program	94.002	Unknown	956		
Total Corporation for National and Community Service				<u>956</u>	
<b>U.S. Department of Homeland Security</b>					
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2015-FH-00591	1,434,973		
Pass-through Maryland Emergency Management Agency					
Disaster Grants-Public Assistance	97.036	Unknown	128,178		
Hazard Mitigation Grant Program (HMGP)	97.039	BT X11-002	6,499		
Emergency Management Performance	97.042	EMW-2016-EP-00008-S01	127,139		
Homeland Security Grant Program	97.067	EMW-2018-SS-00023-SHSP	40,620		16,618
Homeland Security Grant Program	97.067	EMW-2017-SS-00019	73,240		12,926
Homeland Security Grant Program	97.067	16-SR-8847-02	28,883		2,167
Total U.S. Department of Homeland Security				<u>1,839,532</u>	
<b>Total Expenditures of Federal Awards</b>			<b>\$ 18,849,139</b>		<b>\$ 61,530</b>

## **FREDERICK COUNTY, MARYLAND**

### **Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2019**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

All Federal grant operations of Frederick County, Maryland (the County) are included in the scope of Title 2 U.S. Code of Federal Regulations part 200, Uniform Administration Requirement, Cost Principles, and Audit Requirements for Federal Awards (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted below. The programs on the Schedule of expenditures of Federal awards represent all Federal award programs with fiscal year 2019, cash or non-cash expenditure activities. For single audit testing, we tested to ensure coverage of at least 20% of federally granted funds. Actual coverage was 42%. The major program tested are listed below.

Expenditures reported on the schedule of expenditures of Federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

<b>Major Programs</b>	<b>CFDA Numbers</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Housing and Urban Development</b>		
Housing Voucher Cluster	14.871	\$ 6,988,507
<b>U.S. Department of Transportation</b>		
Formula Grants for Rural Areas - Rural Public Transportation	20.509	891,231
		<u>\$ 7,879,738</u>

#### **2. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal awards (the Schedule) includes the Federal award activity of the County under programs of the Federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

## **FREDERICK COUNTY, MARYLAND**

### **Schedule of Findings and Questioned Costs For the Year Ended June 30, 2019**

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

##### **Financial Statements**

Type of Independent Public Accountants' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies?	None reported
Noncompliance material to financial statements?	No

##### **Federal Awards**

Type of Independent Public Accountants' report issued on compliance for major program:	Unmodified
Internal control over major program:	
Material weakness(es) identified?	No
Significant deficiencies?	None reported
Any audit findings disclosed that are required to be reported in Guidance?	No

##### **Identification of Major Program:**

<b>Major Program</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Housing and Urban Development</b>		
Housing Voucher Cluster	14.871	\$ 6,988,507
<b>U.S. Department of Transportation</b>		
Formula Grants for Rural Areas - Rural Public Transportation	20.509	\$ 891,231
		<hr/> <hr/> <hr/>
Threshold for distinguishing between Type A and B programs		\$ 750,000
Did the County qualify as a low risk auditee?		Yes

**FREDERICK COUNTY, MARYLAND**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019**

**Section II - Financial Statement Findings**

None noted.

**Section III - Federal Award Findings**

None noted.

**FREDERICK COUNTY, MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
For the Year Ended June 30, 2019**

There were no prior year findings in the June 30, 2018 Single Audit report.