

**FREDERICK COUNTY, MARYLAND
OFFICE FOR CHILDREN AND FAMILIES**

**Schedule of Expenditures of Awards Together with
Report of Independent Public Accountants**

For the Year Ended June 30, 2011



SB & COMPANY, INC.
Excellence • Quality • Client Service

JUNE 30, 2011

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SB & COMPANY, LLC
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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of County Commissioners
Office for Children and Families

We have audited the accompanying schedule of expenditures of awards of the Frederick County, Maryland Office for Children and Families (the Organization), for the fiscal year ended June 30, 2011. This schedule is the responsibility of the Organization's management. Our responsibility is to express an opinion on the schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedule. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the expenditures of the Frederick County, Maryland Office for Children and Families for the year ended June 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

SB & Company, LLC

Hunt Valley, Maryland
November 23, 2011

**FREDERICK COUNTY, MARYLAND
OFFICE FOR CHILDREN AND FAMILIES**

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

FEDERAL DEPARTMENT/ PASS THROUGH GRANT	CRDA NUMBER	FEDERAL PROJECT PERIOD	TOTAL GRANT AWARD	ACCRUED (DEFERRED)	GRANT Funds RECEIVED 7/1/2010 TO 6/30/2011	GRANT Funds RETURNED 7/1/2010 TO 6/30/2011	LOCAL & OTHER CONTRIBUTIONS	NET EXPENDITURES	ACCURED (DEFERRED)	GRANT REVENUE 6/30/2011
									7/1/2010 TO STATE	
U.S. Dept. of Health & Human Services										
Passed Through Maryland State Department of Education										
Healthy Families	93,558	07/01/09 - 06/30/10	\$ 310,740	\$ (2,548)	\$ -	\$ 2,548	\$ -	\$ -	\$ -	\$ -
Healthy Families	93,558	07/01/10 - 06/30/11	310,740	-	309,895	-	20,620	331,360	345	845
Subtotal			621,480	(2,548)	309,895	2,548	20,620	331,360	345	845
Passed Through State Dept. of Human Resources										
Family Preservation	93,558	07/01/09 - 06/30/10	471,599	80,215	81,456	1,141	-	-	-	-
Family Preservation	93,558	07/01/10 - 06/30/11	471,559	-	367,015	-	-	426,032	59,017	59,017
Subtotal			943,158	80,215	448,471	1,141	-	426,032	59,017	59,017
Total U.S. Dept. of Health & Human Services, Excluding TANF			1,264,638	77,767	753,266	3,689	20,620	757,352	59,862	59,862
State of Maryland Sub Cabinet Funds - Community Partnership Agreement - Governor's Office for Children, Youth, and Families										
Office for Children & Fam Admin	n/a	07/01/06 - 06/30/07	207,535	(7,381)	-	-	-	-	-	(7,381)
Office for Children & Fam Admin	n/a	07/01/07 - 06/30/08	207,535	(46,035)	-	37,963	-	-	-	(36,075)
Office for Children & Fam Admin	n/a	07/01/08 - 06/30/09	207,535	(7,300)	-	64,698	-	-	-	(6,802)
Office for Children & Fam Admin	n/a	07/01/09 - 06/30/10	167,140	(14,884)	22,623	9,826	-	-	-	(27,121)
Office for Children & Fam Admin	n/a	07/01/10 - 06/30/11	167,140	-	65,000	-	144,959	209,959	-	-
Family Preservation	n/a	07/01/05 - 06/30/06	377,248	(23,071)	-	-	-	-	-	(23,071)
Expanded Comm. Partnership Agmnt.	n/a	07/01/05 - 06/30/06	268,986	(73,234)	-	-	-	-	-	(73,934)
CSU's Division	n/a	07/01/08 - 06/30/09	193,744	(67,411)	-	67,411	-	-	-	-
CSU's Division	n/a	07/01/09 - 06/30/10	46,525	(2,701)	6,888	9,589	-	-	-	-
Sys of Care Operations	n/a	07/01/06 - 06/30/07	90,000	(23,076)	-	23,976	-	-	-	-
Sys of Care Operations	n/a	07/01/07 - 06/30/08	90,000	(2,407)	-	2,607	-	-	-	-
Sys of Care Operations	n/a	07/01/08 - 06/30/09	90,000	(3,392)	-	8,392	-	-	-	-
Sys of Care Operations	n/a	07/01/09 - 06/30/10	25,927	3,399	3,838	439	-	-	-	-
Integrated Systems of Care	n/a	07/01/06 - 06/30/07	254,609	(21,009)	-	21,309	-	-	-	-
Integrated Systems of Care	n/a	07/01/07 - 06/30/08	331,620	(13,727)	-	13,572	-	-	-	-
Integrated Systems of Care	n/a	07/01/08 - 06/30/09	331,620	(6,529)	-	6,329	-	-	-	-
Integrated Systems of Care	n/a	07/01/09 - 06/30/10	166,620	24,668	24,668	-	-	-	-	-
Integrated Systems of Care	n/a	07/01/10 - 06/30/11	166,620	-	166,619	-	-	164,912	(1,647)	164,912

The accompanying notes are an integral part of this schedule.

**FREDERICK COUNTY, MARYLAND
OFFICE FOR CHILDREN AND FAMILIES**

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

FEDERAL DEPARTMENT/ PASS THROUGH GRANT OR PROGRAM/TITLE	CEDA NUMBER	PROJECT PERIOD	TOTAL GRANT AWARD	ACCURED (DEFERRED)		GRANT FUND RECEIVED 7/1/2010 TO 6/30/2011	GRANT FUND RETURNED 7/1/2010 TO 6/30/2011	LOCAL & OTHER CONTRIBUTIONS	NET EXPENDITURES	ACCURED (DEFERRED) GRANT REVENUE 6/30/2011
				7/1/2010	6/30/2011					
State of Maryland Subcabinet Funds - Community Partnership Agreement - Governor's Office for Children, Youth, and Families (continued)										
After School Opportunity Grant	n/a	07/01/07 - 06/30/08	152,264		(883)			983		-
After School Opportunity Grant	n/a	07/01/08 - 06/30/09	152,264		(1,901)			1,901		-
After School Opportunity Grant	n/a	07/01/09 - 06/30/10	133,547	3,689	11,362	7,961				(123)
After School Opportunity Grant	n/a	07/01/10 - 06/30/11	133,547		133,547			94,779		228,726
Multi-Systemic Therapy	n/a	07/01/08 - 06/30/09	180,000		(1,470)			1,470		-
Multi-Systemic Therapy	n/a	07/01/09 - 06/30/10	180,000	11,384	11,344					-
Multi-Systemic Therapy	n/a	07/01/10 - 06/30/11	107,026		107,026					145,550
Strengthening Families	n/a	07/01/07 - 06/30/08	22,362	(6,248)				6,248		38,524
Strengthening Families	n/a	07/01/08 - 06/30/09	22,362	(1,245)				1,245		-
Strengthening Families	n/a	07/01/09 - 06/30/10	22,362	(4,962)	23,111	8,273				-
Gang Resistance Education and Training	n/a	07/01/08 - 06/30/09	17,500	(5,932)				5,932		-
EdCare	n/a	07/01/07 - 06/30/08	35,000	(2,069)				2,069		-
EdCare	n/a	07/01/08 - 06/30/09	30,000	(701)				701		-
EdCare	n/a	07/01/09 - 06/30/10	30,000	4,441	4,441					-
Mentorship	n/a	07/01/07 - 06/30/08	74,793	(13,888)				13,868		-
Mentorship	n/a	07/01/08 - 06/30/09	74,793	(11,141)				11,141		-
Mentorship	n/a	07/01/09 - 06/30/10	8,851	1,310	1,310					-
Rehab Option	n/a	07/01/07 - 06/30/08	104,133	(76,555)				76,555		-
Rehab Option	n/a	07/01/08 - 06/30/09	200,000	(53,256)				53,256		-
Rehab Option	n/a	07/01/09 - 06/30/10	83,084	(19,350)	12,900	31,650				-
Total Subcabinet Funds - Community Partnership Agreement				5,164,292	(533,435)	574,857	-489,364	232,738	748,807	(109,859)
Other Subcabinet Funds										
Emmed Reinvestment Liability Acct	n/a			(108,016)		89,698				50,763 (146,991)
Total Other Subcabinet Funds				(108,016)		89,698				50,763 (146,991)
Other Funds - Non-Subcabinet										
LCF/Fees				115,000	(30,635)			30,636		-
Total Other Funds Non-Subcabinet Funds				115,000	(30,635)			30,636		-
TOTAL										
	\$ 634,320	\$ (594,320)	\$ 1,422,921	\$ 523,689	\$ 260,358	\$ 1,556,562	\$ (196,948)			

The accompanying notes are an integral part of this schedule.

**FREDERICK COUNTY, MARYLAND
OFFICE FOR CHILDREN AND FAMILIES**

**Notes to the Schedule of Expenditures of Awards
June 30, 2011**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

Organization

The Frederick County Office for Children and Families (the Organization) is a department within the Citizen Services Division of the Frederick County Government. The Organization is dedicated to creating a more efficient and effective system of care for children and families of Frederick County (the County). The Organization is also the Frederick County's Local Management Board (LMB), which oversees services to children and families in an effort to minimize duplication of services.

The Frederick County Accounting Department maintains the primary records for grant monies. The transactions of these grants and entitlements are reported in governmental funds of the County and are, therefore, accounted for on the modified accrual basis of accounting. The costs incurred relative to these grants are reported in the special revenue fund, a fund within the general purpose financial statements of the County, along with the related grant revenue.

Basis of Accounting

The accompanying schedule of expenditures of awards has been presented to inform County officials, grantor agencies, and other users of grant information of the sources and uses of grant funds for the year ended June 30, 2011. This schedule has been prepared in accordance with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The modified accrual basis of accounting is used by governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Because this schedule is presented on the basis of accounting described above, certain amounts will not agree with those reported in the governmental funds of the County in its general purpose financial statements.

**FREDERICK COUNTY, MARYLAND
OFFICE FOR CHILDREN AND FAMILIES**

**Notes to the Schedule of Expenditures of Awards
June 30, 2011**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (continued)**

Accrued and Deferred Reimbursements

Various reimbursement procedures are used for grants received by the County. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the fiscal year. Accrued balances at year-end represent an excess of reimbursed expenditures over cash receipts to date. Deferred balances at year-end represent an excess of cash receipts over reimbursable expenditures to date. Generally, accrued or deferred balances caused by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period or subsequent fiscal year. Amounts appearing in the "Accrued (Deferred) 7/1/2010" column in some instances include carryover funds from the previous grant year.

2. CONTINGENCIES

Revenue from grants is recognized only to the extent of actual expenses incurred in compliance with those grants.

Reimbursed costs under the Organization's awards are subject to final determination allowable by the government agency. Until such audits have been completed and a final settlement is reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.