

**FREDERICK COUNTY, MARYLAND**

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

**For the Year Ended June 30, 2012**



**SB & COMPANY, LLC**  
EXPERIENCE • QUALITY • CLIENT SERVICE

**JUNE 30, 2012**

**CONTENTS**

Report of Independent Public Accountants	1
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 <i>Government Auditing Standards</i>	3
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	5
Schedule of Expenditures of Federal Awards	7
Notes to the Schedule of Expenditures of Federal Awards	11
Schedule of Findings and Questioned Costs	12
Schedule of Prior Year Findings and Questioned Costs	14



**SB & COMPANY, LLC**  
EXPERIENCE • QUALITY • CLIENT SERVICE

## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

To the Board of County Commissioners  
Frederick 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 Frederick County, Maryland (the County), as of June 30, 2012, 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 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, 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 Frederick County, Maryland, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general and agricultural 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 December 14, 2012, 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.



**SB & COMPANY, LLC**  
EXPERIENCE • QUALITY • CLIENT SERVICE

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, required supplemental schedules of funding progress and schedules of contributions from the employer for the Frederick County Employees Retirement Plan and 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 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 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 introductory, statistical, combining individual fund statements and supplementary 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 basic financial statements. The schedule of expenditures of Federal awards, combining individual fund statements and supplementary schedules have 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 schedule of expenditures of Federal awards, combining individual fund statements and supplemental schedules are fairly stated in all material respects in relation to the basic 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.

*SB & Company, LLC*

Hunt Valley, Maryland  
December 14, 2012



**SB & COMPANY, LLC**  
EXPERIENCE • QUALITY • CLIENT SERVICE

**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 Board of County Commissioners  
Frederick County, Maryland

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Frederick County, Maryland (the County), as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. 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 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 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be 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.



**SB & COMPANY, LLC**  
EXPERIENCE • QUALITY • CLIENT SERVICE

### **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 management, the County Commissioners, others within the entity, Federal awarding agencies and, if applicable, 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  
December 14, 2012



**SB & COMPANY, LLC**  
EXPERIENCE • QUALITY • CLIENT SERVICE

**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 Board of County Commissioners  
Frederick County, Maryland

**Compliance**

We have audited Frederick County, Maryland's (the County) compliance with the types of compliance requirements described in 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, 2012. 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 Frederick County Board of Education and the Frederick Community College, 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, 2012. Our audit described below does not include the operations of the Frederick County Board of Education and the Frederick Community College 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 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, 2012.

### **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 to determine the 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a 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.

This report is intended solely for the information and use of management, the County Commissioners, Federal awarding agencies and, if applicable, pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Hunt Valley, Maryland  
January 16, 2013



**FREDERICK COUNTY, MARYLAND**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012**

<b>Federal Grantor/Pass-through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>	<b>Cluster Total</b>
<b>U.S. Department of Agriculture</b>			
Pass-through Maryland Department of Human Resources			
Emergency Food Assistance - Temporary Food Assistance	10.568	<u>\$ 3,699</u>	
<b>U.S. Department of Commerce</b>			
Pass-through Maryland Emergency Management Agency			
Public Safety Interoperable Communications Grant	11.555	<b>300,805</b>	
Pass-through Maryland Department of Information Technology			
Broadband Technology Opportunities Program - ARRA	11.557	<u>95,242</u>	
Total U.S. Department of Commerce		<u><b>396,047</b></u>	
<b>U.S. Department of Housing and Urban Development</b>			
Pass-through Maryland Department of Housing and Community Development			
Emergency Shelter Program	14.231	<b>20,670</b>	
Home Investment Partnerships Program - Special Loan Program/Star	14.239	<b>111,500</b>	
Homeless Prevention & Rapid Rehousing Program (HPRP) - ARRA	14.257	<b>29,618</b>	
Lower Income Housing Assistance Program - Mod-Rehab Program	14.856	<b>151,480</b>	
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871	<b>5,370,478</b>	
Family Unification Program (FUP)	14.880	<b>374,824</b>	
Total Housing Voucher Cluster			<b>5,745,302</b>
Total U.S. Department of Housing and Urban Development		<u><b>6,058,570</b></u>	
<b>U.S. Department of the Interior - National Park Service</b>			
Pass-through Maryland Historical Trust			
Certified Local Government	15.904	<u><b>1,000</b></u>	
<b>U.S. Department of Justice</b>			
Alien Assistance Program	16.606	<b>62,194</b>	
Pass-through Governor's Office of Crime Control and Prevention			
Crime Victim Assistance	16.575	<b>85,426</b>	
Edward Byrne Memorial Justice Assistance Grant	16.738	<u>22,212</u>	
Total U.S. Department of Justice		<u><b>169,832</b></u>	

The accompanying notes are an integral part of this schedule.

**FREDERICK COUNTY, MARYLAND**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Cluster Total</u>
<b>U.S. Department of Labor</b>			
Pass-through Department of Labor, Licensing and Regulation			
WIA Cluster			
WIA Adult Program	17.258	\$ 196,524	
WIA Youth Activities	17.259	204,212	
WIA Dislocated Workers	17.260	626,065	
WIA Dislocated Workers - ARRA	17.260	105,195	
Total WIA Cluster			1,131,996
WIA Dislocated Workers	17.278	<u>130,037</u>	
Total U.S. Department of Labor		<u>1,262,033</u>	
<b>U.S. Department of Transportation</b>			
Pass-through Maryland Department of Transportation			
Bike Trails (TEP) Ballenger Creek	20.200	449,903	
Highway Planning and Construction Cluster			
Highway Planning and Construction - Highway Capital Projects - ARRA	20.205	213,940	
Highway Planning and Construction - Bridge Projects	20.205	50	
Total Highway Planning and Construction Cluster			213,990
Federal Transit - Formula Grants Cluster			
Federal Transit - Formula Grants - Mass Transit/Capital Outlay	20.507	1,788,499	
Federal Transit - Formula Grants - Mass Transit/Capital Outlay - ARRA	20.507	1,077,600	
Total Federal Transit - Formula Grants Cluster			2,866,099
Formula Grants for Other than Urbanized Areas - Rural Public Transportation	20.509	244,528	
State Planning & Research Program - ARRA	20.515	713,756	
State Planning & Research Program	20.515	2,459	
Alcohol and Impaired Driving Countermeasures Incentive	20.601	<u>4,320</u>	
Total U.S. Department of Transportation		<u>4,495,055</u>	
<b>National Foundation of the Arts and Humanities</b>			
Pass-through Maryland Department of Education			
Staff Development/Language Collection	45.310	<u>13,851</u>	

The accompanying notes are an integral part of this schedule.

**FREDERICK COUNTY, MARYLAND**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Cluster Total</u>
<b>U.S. Environmental Protection Agency</b>			
Climate Showcase Communities Grant	66.041	\$ 89,159	
Pass-through Maryland Department of the Environment			
Capitalization Grants for Clean Water State Revolving Funds Cluster			
Capitalization Grants for Clean Water State Revolving Funds - Ballenger McKinney WWTP ENR Upgrade & Expansion Loan - ARRA	66.458	4,922,267	
Capitalization Grants for Clean Water State Revolving Funds - Ballenger McKinney WWTP ENR Upgrade & Expansion Loan	66.458	6,324,613	
Total Capitalization Grants for Clean Water State Revolving Funds Cluster			11,246,880
Lower Monocacy	66.460	272,277	
Neighborhood Green Grant	66.466	4,006	
Total U.S. Environmental Protection Agency		<u>11,612,322</u>	
<b>U.S. Department of Energy</b>			
Energy Efficiency Conservation Block Grant - ARRA	81.128	<u>129,911</u>	
<b>U.S. Department of Education</b>			
Pass-through Maryland Department of Education			
Special Education Cluster			
Special Education - Grants to States - Individuals Disabilities Education Act (IDEA part B)	84.027	43,655	
Special Education - Preschool Grants - Individuals Disabilities Education Act (IDEA part B 619)	84.173	7,000	
Total Special Education Cluster			50,655
Rehabilitation Services - DORS Year Round	84.126	87,363	
Special Education - Grants for Infants and Families with Disabilities Cluster			
Special Education - Grants for Infants and Families with Disabilities - Individuals Disabilities Education Act (IDEA part C)	84.181	145,117	
Special Education - Grants for Infants and Families with Disabilities - Individuals Disabilities Education Act (IDEA part C)	84.393	91,652	
Special Education - Grants for Infants and Families with Disabilities - Individuals Disabilities Education Act (IDEA part C) - ARRA	84.393	153,517	
Total Special Education - Grants for Infants and Families with Disabilities Cluster			390,286
Parental Information Resource Center (PIRC)	84.310	1,960	
Total U.S. Department of Education		<u>530,264</u>	

The accompanying notes are an integral part of this schedule.

**FREDERICK COUNTY, MARYLAND**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012**

<b>Federal Grantor/Pass-through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>	<b>Cluster Total</b>
<b>U.S. Department of Health and Human Services</b>			
Pass-through Maryland Office of Aging			
Ombudsman Services for Older Individuals	93.042	\$ 15,498	
Special Programs for the Aging - Aging Title IIID	93.043	8,960	
Special Programs for the Aging Cluster			
Special Programs for the Aging - Aging Title IIIB	93.044	135,391	
Special Programs for the Aging - Aging Title IIIC	93.045	244,859	
Nutrition Services Incentive Program	93.053	40,295	
Total Special Programs for the Aging Cluster			420,545
Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	93.048	18,775	
National Family Caregiver Support	93.052	43,327	
Affordable Care Act- Medicare Improvements for Patients & Providers	93.518	5,882	
Medical Assistance Program - Medicaid Waiver Program	93.778	35,600	
Senior Health Insurance Program	93.779	10,991	
Money Follows the Person Rebalancing Demonstration	93.791	98,082	
Pass-through Maryland Family Network			
Family Support Center	93.590	23,558	
Pass-through Maryland Department of Health & Mental Hygiene			
Smoke Alarms for Everyone	93.136	14,035	
Pass-through Maryland Department of Human Resources			
Promoting Safe and Stable Families	93.556	178,915	
Temporary Assistance for Needy Families - Family Preservation/Youth Summer Jobs	93.558	34,177	
Child Support Enforcement	93.563	1,085,304	
Total U.S. Department of Health and Human Services		<u>1,993,649</u>	
<b>U.S. Department of Homeland Security</b>			
Assistance to Firefighters Grant	97.044	352,496	
Pass-through Maryland Emergency Management Agency			
Public Assistance - Hurricane Irene Disaster Reimbursement	97.036	20,040	
Emergency Management Performance	97.042	3,922	
Citizen Corps	97.053	20,063	
Interoperable Emergency Communications	97.055	176,856	
Homeland Security Grant Program	97.067	448,403	
Total U.S. Department of Homeland Security		<u>1,021,780</u>	
<b>Total Expenditures of Federal Awards</b>		<u>\$ 27,688,013</u>	

The accompanying notes are an integral part of this schedule.

# FREDERICK COUNTY, MARYLAND

## Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Federal grant operations of Frederick County, Maryland (the County) are included in the scope of 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 (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted below. These programs represent all Federal award programs with fiscal year 2012 cash or non-cash expenditure activities in order to meet the 25% coverage requirement. We have evaluated the Federal financial assistance programs of the County for the year ended June 30, 2012, and have selected those major programs for testing. Our actual coverage was 73%. The major programs tested are listed below.

<u>Major Program</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Housing Voucher Cluster	14.871	\$ 5,745,302
Highway Planning and Construction Cluster - ARRA	20.205	213,990
Federal Transit - Formula Grants Cluster	20.507	2,866,099
Capitalization Grants for Clean Water State Revolving Funds - Ballenger McKinney WWTP ENR Upgrade & Expansion Loan - ARRA	66.458	11,246,880
Energy Efficiency and Conservation Block Grant Program - ARRA (EECBG)	81.128	129,911
		<u>\$ 20,202,182</u>

### 2. BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal awards has been prepared on the accrual basis of accounting.

**FREDERICK COUNTY, MARYLAND**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012**

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

**Financial Statements**

Type of Independent Public Accountant's report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies?	None noted
Noncompliance material to the financial statements noted?	No

**Federal Awards**

Type of Independent Public Accountant's report issued on compliance for major programs:	Unqualified
Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies?	No
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No

**Identification of Major Programs:**

<u>Major Program</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Housing Voucher Cluster	14.871	\$ 5,745,302
Highway Planning and Construction Cluster - ARRA	20.205	213,990
Federal Transit - Formula Grants Cluster	20.507	2,866,099
Capitalization Grants for Clean Water State Revolving Funds - Ballenger McKinney WWTP ENR Upgrade & Expansion Loan - ARRA	66.458	11,246,880
Energy Efficiency and Conservation Block Grant Program - ARRA (EECBG)	81.128	129,911
		<u>\$ 20,202,182</u>

Threshold for distinguishing between Type A and B programs	\$ 830,640
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, 2012**

**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, 2012**

**Finding Reference:** 2011-1  
**Federal Agency:** Department of Transportation – Capitalization Grants for  
Clean Water State Revolving Funds – Ballenger McKinney  
WWTP ENR Upgrade & Expansion Loan – ARRA  
CFDA# 66.458  
**Compliance Requirement(s):** Davis-Bacon Act  
**Type of Finding:** Significant Deficiency

***Condition:***

During our testing of the Ballenger McKinney WWTP ENR Upgrade & Expansion Loan program, we noted certified payrolls were not reviewed for compliance with the Davis-Bacon Act.

***Cause:***

The County did not follow its established procedures of reviewing the certified payrolls.

***Status:***

Resolved.