

FREDERICK COUNTY, MARYLAND

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

For the Year Ended June 30, 2021



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

JUNE 30, 2021

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>	4
REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE	6
Schedule of Expenditures of Federal Awards	9
Notes to the Schedule of Expenditures of Federal Awards	14
Schedule of Findings and Questioned Costs	16
Schedule of Prior Year Findings and Questioned Costs	18



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

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, the combining and individual Pension/OPEB Trust funds, and the aggregate remaining fund information of Frederick County, Maryland (the County), as of and for the year ended June 30, 2021, 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.



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, the combining and individual Pension/OPEB Trust funds, and the aggregate remaining fund information of the County, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, grants fund, and agricultural preservation 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 and schedule of employer contributions for the Frederick County Employees Retirement Plan, the schedule of changes in net pension liability and related ratios and schedule of employer contributions for the Frederick County Length of Service Awards Program, and the schedule of changes in net OPEB liability and related ratios and schedule of employer contributions for the 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.

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, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

The accompanying combining and individual fund statements, budgetary comparison schedules, and capital assets used in the operation of governmental funds 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, and capital assets used in the operation of governmental funds 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 18, 2021 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 18, 2021

SB & Company, LLC



SB & COMPANY, LLC
KNOWLEDGE • 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***

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, 2021, 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 18, 2021.

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.



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

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 18, 2021



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

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, 2021. 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 Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to 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 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 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.



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, 2021.

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.



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the combining and individual Pension/OPEB Trust funds, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 18, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Owings Mills, Maryland
April 26, 2022

SB & Company, LLC

FREDERICK COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Cluster Total	Amounts Provided to Subrecipients
U.S. Department of Housing and Urban Development					
Pass-through Maryland Department of Housing and Community Development					
Community Development Block Grant Program	14.228	MD-20-CD-23	\$ 100,885		
COVID-19 - Community Development Block Grant Program	14.228	MD-20-CD-9	95,750		\$ 95,750
COVID-19 - Community Development Block Grant Program	14.228	CV-1-6	133,481		76,258
Community Development Block Grant Program	14.228	MD-20-CD-24	194,000		
Home Investment Partnerships Program	14.239	Unknown	149,367		
Section 8 Project-Based Cluster:					
Lower Income Housing Assistance Program- Section 8 Moderate Rehabilitation	14.856	Unknown	172,991		
Total Section 8 Project-Based Cluster				\$ 172,991	
Housing Voucher Cluster:					
Section 8 Housing Choice Voucher Program	14.871	Unknown	7,128,729		
Total Housing Voucher Cluster				\$ 7,128,729	
Total U.S. Department of Housing and Urban Development			<u>7,975,203</u>		
U.S. Department of the Interior					
Payments in Lieu of Taxes	15.226	None	28,902		
Pass-through Maryland Historical Trust					
Historical Preservation Funds - Grant In Aid	15.904	P20AF00025	15,000		
Total U.S. Department of the Interior			<u>43,902</u>		
U.S. Department of Justice					
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1595	42,330		
State Criminal Alien Assistance Program	16.606	2020-AP-BX-0816	8,892		
Support for Adam Walsh Act Implementation Grant Program	16.750	2020-AW-BX-0043	5,754		
Equitable Sharing Program	16.922	None	43,034		
Pass-through Governor's Office of Crime Prevention, Youth and Victim Services					
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	CESF-2020-0039	12,390		
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	CESF-2020-0087	29,792		
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	CESF-2020-0063	20,472		
Crime Victim Assistance	16.575	VOCA-2018-0045	67,855		
Crime Victim Assistance	16.575	VOCA-2019-0060	133,525		
COVID-19 - Crime Victim Assistance	16.575	VOCA-2017-0126	27,319		
Crime Victim Assistance	16.575	VOCA-2017-0018	13,755		
Crime Victim Assistance	16.575	VOCA-2019-0049	33,000		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BJNT-2016-0014	5,000		
Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	16.758	FRED-MD-EQUIP21	11,369		
Total U.S. Department of Justice			<u>454,487</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, 2021**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Cluster Total	Amounts Provided to Subrecipients
U.S. Department of Labor					
Pass-through Maryland Department of Labor, Licensing and Regulation					
Employment Service Cluster:					
Employment Service/Wagner-Peyser Funded Activities	17.207	Unknown	\$ 29,663		
Disabled Veterans' Outreach Program (DVOP)	17.801	Unknown	3,682		
Total Employment Service Cluster				\$ 33,345	
Unemployment Insurance	17.225	Unknown	1,226		
Senior Community Service Employment Program	17.235	Unknown	1,226		
Trade Adjustment Assistance	17.245	Unknown	736		
Reentry Employment Opportunities	17.270	P16-FCWS-FOR-OPIOID	36,668		
WIOA Cluster:					
WIOA Adult Program	17.258	P16-FR-PY20-A	27,894		
WIOA Adult Program	17.258	P16-FR-FY21-A	38,061		
WIOA Adult Program	17.258	PO6-FR-FY20-A	62,540		
WIOA Adult Program	17.258	P06-FR-PY19-A	42,226		
WIOA Youth Activities	17.259	P16-FR-PY20-Y	135,081		
WIOA Youth Activities	17.259	PO6-FR-PY19-Y	167,014		
WIOA Youth Activities	17.259	P16-FR-PY20-SYC	25,347		
WIOA Dislocated Workers	17.278	PO6-FR-PY19-D	68,828		
WIOA Dislocated Workers	17.278	P16-FR-FY21-D	22,526		
WIOA Dislocated Workers	17.278	PO6-FR-FY20-D	258,250		
WIOA Dislocated Workers	17.278	P16-FR-PY20D	83,406		
WIOA Dislocated Workers	17.278	P16-FR-FY21-D	75,534		
Total WIOA Cluster				\$ 1,006,707	
Temporary Labor Certification for Foreign Workers	17.273	Unknown	2,997		
Total U.S. Department of Labor			<u>1,082,905</u>		
U.S. Department of Transportation					
Pass-through Maryland Department of Transportation					
Highway Planning and Construction Cluster:					
Highway Planning and Construction- Bridge Projects	20.205	FR649ZM1	1,370,963		
Total Highway Planning and Construction Cluster				\$ 1,370,963	
Federal Transit Cluster:					
Federal Transit Formula Grants- Mass Transit/Capital Outlay	20.507	FR085307O2021	2,050,267		
Federal Transit Formula Grants- Mass Transit/Capital Outlay	20.507	FR08CMAQ2021	118,145		
COVID-19 - Federal Transit Formula Grants - Mass Transit/Capital Outlay	20.507	FR08CARES2020	818,243		
Federal Transit Formula Grants- Mass Transit/Capital Outlay	20.507	FR085307C2018	64,872		
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	FR085339LC2018	1,383,144		
Total Federal Transit Cluster				\$ 4,434,671	

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, 2021**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Cluster Total	Amounts Provided to Subrecipients
U.S. Department of Transportation (continued)					
Pass-through Maryland Department of Transportation (continued)					
COVID-19 - Formula grants for Rural Areas- Rural Public Transportation	20.509	FR08CARES2020	\$ 87,098		
Formula grants for Rural Areas - Rural Public Transportation	20.509	FR085307C2021	438,492		
Formula grants for Rural Areas - Rural Public Transportation	20.509	FR085307C2020	2,028,934		
Formula grants for Rural Areas - Rural Public Transportation	20.509	FR085311C2019	28,448		
Formula grants for Rural Areas - Rural Public Transportation	20.509	FR085311C2020	8,881		
Formula grants for Rural Areas - Rural Public Transportation	20.509	FR085311O2021	190,388		
Total U.S. Department of Transportation			<u>8,587,875</u>		
U.S. Department of the Treasury					
COVID-19 - Emergency Rental Assistance Program	21.023	ERA0244	3,526,667		3,500,000
Pass-through Maryland Department of Budget and Management					
COVID-19 - Coronavirus Relief Fund	21.019	Unknown	36,720,839		20,478,831
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	1,434,954		1,421,843
Total U.S. Department of the Treasury			<u>41,682,460</u>		
National Endowment for the Humanities					
Pass-through Maryland State Library					
State Library Program	45.310	521357	15,000		
State Library Program	45.310	521315	6,505		
State Library Program	45.310	521411	3,500		
State Library Program	45.310	521390-1016	16,983		
COVID-19 - State Library Program	45.310	521338	23,969		
Total National Endowment for Humanities			<u>65,957</u>		
U.S. Department of Education					
Pass-through Maryland Department of Education					
Special Education - Grant to States (IDEA - Part B)	84.002	Unknown	1,226		
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	Unknown	1,226		
Special Education Cluster:					
Special Education - Grant to States (IDEA - Part B)	84.027	200450	5,611		
Special Education - Grant to States (IDEA - Part B)	84.027	45619	3,579		
Special Education - Grant to States (IDEA - Part B)	84.027	21863	113,121		
Special Education - Preschool Grants (IDEA - Preschool)	84.027	201,637	34,220		
Special Education - Preschool Grants (IDEA - Preschool)	84.173	201841-01	7,000		
Special Education - Preschool Grants (IDEA - Preschool)	84.173	201841-02	8,796		
Special Education - Preschool Grants (IDEA - Preschool)	84.173	200407-02	45		
Total Special Education Cluster				\$ 172,372	

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, 2021**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Cluster Total	Amounts Provided to Subrecipients
U.S. Department of Education (continued)					
Pass-through Maryland Department of Education (continued)					
Rehabilitation Services - DORS Year Round	84.126	Unknown	\$ 3,358		
Special Education - Grants for Infants and Families	84.181	210272-02	16,548		
Special Education - Grants for Infants and Families	84.181	200406.02	12,742		
Special Education - Grants for Infants and Families	84.181	210272-01	290,737		
Total U.S. Department of Education			<u>498,209</u>		
U.S. Department of Health and Human Services					
COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498	None	1,266,008		
Pass-through Maryland Office of Aging					
Title VII, Chapter 3- Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	1901MDOAEA	929		
Title VII, Chapter 3- Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	2001MDOAEA	1,061		
Title VII, Chapter 3- Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	2101MDOAEA	2,731		
COVID-19- Title VII, Chapter 2- Long Term Care Ombudsman Services for Older Individuals	93.042	654820/09	2,627		
Title VII, Chapter 2- Long Term Care Ombudsman Services for Older Individuals	93.042	1901MDOAOM	2,862		
Title VII, Chapter 2- Long Term Care Ombudsman Services for Older Individuals	93.042	2001MDOAOM	3,939		
Title VII, Chapter 2- Long Term Care Ombudsman Services for Older Individuals	93.042	2101MDOAOM	10,069		
Title III, Part D- Disease Prevention and Health Promotion Services	93.043	18AMDT3PH	22		
Title III, Part D- Disease Prevention and Health Promotion Services	93.043	2101MDOAPH	1,891		
Title III, Part D- Disease Prevention and Health Promotion Services	93.043	1901MDOAPH	2,210		
Aging Cluster:					
Title III, Part B- Grants for Supportive Services and Senior Centers	93.044	2001MDOASS	19,475		
COVID-19- Title III, Part B- Grants for Supportive Services and Senior Centers	93.044	2001MDSSC3-00	55,444		
Title III, Part B- Grants for Supportive Services and Senior Centers	93.044	2101MDOASS	213,294		
Title III, Part C- Nutrition Services	93.045	2021MDOAHD	102,684		
Title III, Part C- Nutrition Services	93.045	1901MDOACM	541		
Title III, Part C- Nutrition Services	93.045	2001MDOACM	1,888		
Title III, Part C- Nutrition Services	93.045	2021MDOACM	3,750		
Title III, Part C- Nutrition Services	93.045	2001MDOAHD	184,761		
COVID-19 - Families First Coronavirus Response Act Home Delivered Meals	93.045	2001MDHDC2-00	61,967		
COVID-19-Title III, Part C- Nutrition Services	93.045	2001MDHDC3-00	100,676		
Nutrition Services Incentive Program	93.053	2001MDOANS	14,662		
Nutrition Services Incentive Program	93.053	2101MDOANS	57,782		
Total Aging Cluster				\$ 816,924	
Title IV and Title II- Discretionary Projects	93.048	90MPPG0001-03-00	6,913		
National Family Caregiver Support Title III, Part E	93.052	2001MDOAFC	29,526		
COVID-19- National Family Caregiver Support Title III, Part E	93.052	2001MDFCC3-00	34,957		
National Family Caregiver Support Title III, Part E	93.052	2021MDOAFC	74,000		
Medicare Enrollment Assistance Program- MIPPA	93.071	1801MDMISH-00	108		
Medicare Enrollment Assistance Program- MIPPA	93.071	1801MDMIAA-00	60		
Medicare Enrollment Assistance Program- MIPPA	93.071	1801MDMIDR-00	72		

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, 2021**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Cluster Total	Amounts Provided to Subrecipients
U.S. Department of Health and Human Services (continued)					
Pass-through Maryland Office of Aging (continued)					
Medicare Enrollment Assistance Program- MIPPA	93.071	1801MDMISH-01	\$ 2,507		
Medicare Enrollment Assistance Program- MIPPA	93.071	1801MDMLAA-01	1,421		
Medicare Enrollment Assistance Program- MIPPA	93.071	1801MDMIDR-01	1,699		
State Health Insurance Assistance Program	93.324	90SAPG0003-03-00	19,976		
Pass-through Maryland Department of Human Resources					
Promoting Safe and Stable Families	93.556	FCDSS/CW-21-004	127,500		
TANF Cluster:					
Temporary Assistance for Needy Families- Family Preservation/Youth Summer Jobs	93.558	FCDSS/FIA 21-004	3,247		
Temporary Assistance for Needy Families- Family Preservation/Youth Summer Jobs	93.558	FCDSS/FIA 21-005	1,859		
Temporary Assistance for Needy Families- Family Preservation/Youth Summer Jobs	93.558	Unknown	3,511		
Total TANF Cluster				\$ 8,617	
Child Support Enforcement	93.563	CSEA/CRA 20-014	246,171		
Child Support Enforcement	93.563	CSEA/CRA-21-047	6,645		
Child Support Enforcement	93.563	CSEA/CRA-20-047	2,638		
Child Support Enforcement	93.563	CSA/CRA/21-014	690,372		
Pass-through Maryland Family Network					
Community-Based Child Abuse Prevention Grant- Family Support Center	93.590	1901MDBCAP	30,000		
Pass-through Governor's Office of Crime Prevention, Youth and Victim Services					
Children's Justice Grants to States	93.643	CJAC-2020-0004	7,131		
Children's Justice Grants to States	94.643	CJAC-2019-0003	4,086		
Pass-through Maryland Department of Health, Prevention and Health Promotion					
COVID-19 - Immunization Cooperative Agreements	93.268	MV611COV-F838N	520,676		
Total U.S. Department of Health and Human Services			<u>3,926,348</u>		
U.S. Department of Homeland Security					
COVID-19 - Assistance to Firefighters Grant	97.044	EMW-2020-FG-00045	11,285		
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2018-FH-00325	1,909,027		
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2019-FF-01520	591,427		
Pass-through Maryland Emergency Management Agency					
COVID-19 - Disaster Grants-Public Assistance	97.036	4491DR-MD (4491DR)	682,181		
Emergency Management Performance Grant	97.042	EMPG-2020-EP-00002-S01/20-SR-1	37,093		
COVID-19 - Emergency Management Performance Grant	97.042	EMP-2020-EP-00009-S01	20,694		
Emergency Management Performance Grant	97.042	EMW-2019-EP-00004-S01	99,038		
Homeland Security Grant Program	97.067	EMW-2019-SS-00064	93,366		
Homeland Security Grant Program	97.067	EMW-2020-SS-00010-SHSP/20-SR-3	240,429		14,693
Pass-through Maryland Department of Health, Prevention and Health Promotion					
COVID-19 - Disaster Grants-Public Assistance	97.036	FE711COV-F918N	1,339,312		
Total U.S. Department of Homeland Security			<u>5,023,852</u>		
Total Expenditures of Federal Awards			\$ 69,341,198		\$ 25,587,375

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, 2021

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 Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (the Single Audit). The Single Audit was performed in accordance with the provisions of the U.S. Office of Management and Budget (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 (the Schedule) represent all Federal award programs with fiscal year 2021, 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 68%. The major program tested are listed below.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, 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* (the Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures are also subject to audit by the relevant Federal agency. In the opinion of management, disallowed costs, if any, from such audits will not have a material effect on this Schedule or the financial position of the County.

The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

<u>Major Programs</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation		
Federal Transit Cluster	20.507, 20.526	\$ 4,434,671
U.S. Department of Treasury		
COVID-19 - Emergency Rental Assistance Program	21.023	3,526,667
COVID-19 - Coronavirus Relief Fund	21.019	36,720,839
U.S. Department of Homeland Security		
Staffing for Adequate Fire and Emergency Response	97.083	2,500,454
		<u>\$ 47,182,631</u>

2. BASIS OF PRESENTATION

The accompanying Schedule includes the Federal award activity of the County under programs of the Federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of the 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

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

3. LOAN PROGRAM

The County administers a loan under Capitalization Grants for Clean Water State Revolving Funds from the Maryland Department of the Environment (Assistance Listing Number 66.458) without continuing compliance requirements and therefore are not presented in the Schedule. The loan was used for municipal wastewater treatment plant and landfill cell lining and capping. The outstanding balance of the loan as of June 30, 2021 was \$22,216,903. There were no draws on the loan during 2021.

4. DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)

During 2021, the County received Personal Protective Equipment (PPE) purchased with Federal assistance funds from various Federal agencies, which were valued at \$418,638 based on fair market value at the time of the receipt. Donated PPE amounts were not accounted for the purposes of the Single Audit and is not required to be audited in accordance with the Uniform Guidance. Therefore, donated PPE amounts were not reported in the Schedule.

5. RECONCILIATION TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying Schedule do not agree with amounts reported on the County's Annual Comprehensive Financial Report (ACFR). The reconciling items between ACFR and the Schedule are as follows:

Federal grant revenues per ACFR:	
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 93,285,646
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	585,948
	<u>93,871,594</u>
Reconciling items:	
CSLFRF loss of revenue recognized in the financial statements	(25,206,981)
Timing differences in reporting for Provider Relief Funding	780,945
Federal reimbursements not subject to Single Audit	(104,360)
	<u>(24,530,396)</u>
Total Expenditures of Federal Awards	\$ 69,341,198

FREDERICK COUNTY, MARYLAND

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2021

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 programs:	Unmodified
Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies?	None reported
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) of the Uniform Guidance?	No

Identification of Major Programs:

Major Programs	Federal Assistance Listing Number	Federal Expenditures
U.S. Department of Transportation		
Federal Transit Cluster	20.507, 20.526	\$ 4,434,671
U.S. Department of Treasury		
COVID-19 - Emergency Rental Assistance Program	21.023	3,526,667
COVID-19 - Coronavirus Relief Fund	21.019	36,720,839
U.S. Department of Homeland Security		
Staffing for Adequate Fire and Emergency Response	97.083	2,500,454
		\$ 47,182,631
Threshold for distinguishing between Type A and B programs		\$ 2,080,236
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, 2021**

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, 2021**

There were no prior year findings in the June 30, 2020 Single Audit report.