

HARFORD COUNTY, MARYLAND

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

For the Year Ended June 30, 2010



SB & COMPANY, LLC
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JUNE 30, 2010

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Honorable Members of the County Council
Harford County, Maryland

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harford County, Maryland (the County), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Harford County Community College, the Harford County Library and the Harford Center, Inc. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general, highways, and agriculture land preservation funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.



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In accordance with *Government Auditing Standards*, we have issued our report dated September 30, 2010 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.

The management discussion and analysis, required supplemental schedules of funding progress for Pension Trust Funds and Other Post Employment Benefit (OPEB) Trust, and required schedule of employer contributions for OPEB Trust Fund are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, supplementary information as identified in the financial section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the County taken as a whole. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by 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 financial statements. Such information has been subjected to the additional procedures applied in the audit of financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Hunt Valley, Maryland
September 30, 2010



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the County Council
Harford County, Maryland

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discreetly presented component units, each major fund, and the aggregate remaining fund information of Harford County, Maryland (the County) as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 30, 2010. 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

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Honorable Members of the County Council, management, others within the entity, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hunt Valley, Maryland
September 30, 2010





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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Members of the County Council
Harford County, Maryland

Compliance

We have audited the compliance of Harford County, Maryland (the County) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2010. The County's major Federal programs are identified in the summary of independent public accountants' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of the Harford County Board of Education, the Harford County Community College, the Harford County Library and the Harford Center, component units which received Federal awards and which are not included in the accompanying schedule of expenditures of Federal awards for the year ended June 30, 2010. Our audit described below does not include the operations of the Harford County Board of Education, the Harford County Community College, the Harford County Library and the Harford Center because these entities engaged another auditor to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2010.



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Internal Control over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the Honorable Members of the County Council, management, others within the entity, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hunt Valley, Maryland
September 30, 2010

HARFORD COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010**

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>DIRECT FEDERAL EXPENDITURES</u>		
Department of Defense		
BRAC FY08	12.607	\$ 1,706,888
BRAC FY10	12.607	232,863
Total Department of Defense		<u>1,939,751</u>
Department of Housing and Urban Development		
Housing Counseling Assistance Program FY09	14.169	31,170
Housing Counseling Assistance Program FY10	14.169	24,384
Community Development Block Grants/Entitlement Grants FY02	14.218	3,237
Community Development Block Grants/Entitlement Grants FY05	14.218	6,790
Community Development Block Grants/Entitlement Grants FY06	14.218	31,954
Community Development Block Grants/Entitlement Grants FY07	14.218	106,461
Community Development Block Grants/Entitlement Grants FY08	14.218	223,740
Community Development Block Grants/Entitlement Grants FY09	14.218	488,386
Community Development Block Grants/Entitlement Grants FY10	14.218	328,413
Community Development Block Grants/Entitlement Grants - TBRA FY09	14.218	64,442
Community Development Block Grants/Entitlement Grants - HCAA FY10	14.218	40,000
Community Development Block Grants/Entitlement Grants - SELP FY08	14.218	47,400
Community Development Block Grants/Entitlement Grants - Rehab Loans Washington Court FY10	14.256	698,866
Supportive Housing Program - Alliance FY10	14.235	7,405
Supportive Housing Program - Alliance FY09	14.235	8,298
Supportive Housing Program - Holy Family House FY09	14.235	19,687
Supportive Housing Program - Harford Family House FY09	14.235	60,295
Supportive Housing Program - Anna's House FY09	14.235	31,342
Supportive Housing Program - Alliance FY08	14.235	3,176
Supportive Housing Program - Alliance FY10	14.235	109,275
Supportive Housing Program - Alliance FY11	14.235	17,640
Supportive Housing Program - Anna's House FY10	14.235	154,713
Supportive Housing Program - FCCAU	14.235	5,517
HOME Investment Partnerships Program FY03	14.239	13,154
HOME Investment Partnerships Program FY04	14.239	164,487
HOME Investment Partnerships Program FY06	14.239	30,294
HOME Investment Partnerships Program FY08	14.239	146,197
HOME Investment Partnerships Program FY09	14.239	12,000
HOME Investment Partnerships Program FY10	14.239	140,249
HOME Investment Partnerships Program - ADDI FY06	14.239	7,164
HOME Investment Partnerships Program - ADDI FY08	14.239	7,376
HOME Investment Partnerships Program - ADDI FY09	14.239	3,572
HOME Investment Partnerships Program - HOME Administrator FY10	14.239	47,903
Section 8 Housing Choice Vouchers - FSS Coordinator FY09	14.871	100,144
Section 8 Housing Choice Vouchers - FSS Coordinator FY10	14.871	19,980
Section 8 Housing Choice Vouchers - Billed Vouchers FY05	14.871	92,913

The accompanying notes are an integral part of this schedule.

HARFORD COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Department of Housing and Urban Development (continued)		
Section 8 Housing Choice Vouchers FY09	14.871	\$ 3,894,436
Section 8 Housing Choice Vouchers FY10	14.871	3,474,397
Section 8 Housing Choice Vouchers - Mainstream FY09	14.871	14,341
Section 8 Housing Choice Vouchers - Mainstream FY10	14.871	493,224
Washington Court FY10	14.219	365,182
Havre de Grace Field Development FY10	14.219	603,051
Homelessness Prevention and Rapid Re-Housing Program - ARRA	14.257	5,400
Homelessness Prevention and Rapid Re-Housing Program	14.257	57,117
Total Department of Housing and Urban Development		12,366,146
Department of the Interior		
Stream Gauge Station FY10	15.808	92,646
Department of Justice		
Public Safety Partnership and Community Policing Grants - CTP FY10	16.710	284,448
Alcohol/Drug Highway Safety FY10	16.727	39,000
Edward Byrne Memorial Justice Assistance Grant Program - JDCS FY09	16.738	13,936
Edward Byrne Memorial Justice Assistance Grant Program - HCSZ FY09	16.738	8,779
Edward Byrne Memorial Justice Assistance Grant Program - JAG FY09	16.738	28,463
Edward Byrne Memorial Justice Assistance Grant Program - LPR FY09	16.738	118
Edward Byrne Memorial Justice Assistance Grant Program - LETS FY10	16.738	1,700
Technology Upgrade FY10 - ARRA	16.803	29,718
E-Ticket Implementation FY10 - ARRA	16.803	51,371
Warrant Reduction Program FY10 - ARRA	16.803	70,183
In Car Cameras FY10 - ARRA	16.804	201,281
Total Department of Justice		728,997
Department of Labor*		
WIA Adult Program FY09	17.258	53,074
WIA Adult Program FY10	17.258	24,249
WIA Adult Program - Title 1 FY08	17.258	5,986
WIA Adult Program FY08 - ARRA	17.258	175,684
WIA Adult Program FY09	17.258	185,313
WIA Adult Program/Youth Activities/Dislocated Workers - Business FY10	17.258/259/260	7,445
WIA Adult Program/Youth Activities/Dislocated Workers - Title 1 FY10	17.258/259/260	9,433
WIA Adult Program/Youth Activities/Dislocated Workers - Incentive FY10	17.258/259/260	21,580
WIA Adult Program/Youth Activities/Dislocated Workers - Business FY10	17.258/259/260	47,486
WIA Adult Program/Youth Activities/Dislocated Workers - Bus Works FY10 - ARRA	17.258/259/260	67,069
WIA Adult Program/Youth Activities/Dislocated Workers - BRAC FY10	17.258/259/260	93,470
WIA Youth Activities - TITLE I YOUTH FY10	17.259	27,018
WIA Youth Activities FY10	17.259	162,894

*These grants are provided to subrecipients.

The accompanying notes are an integral part of this schedule.

HARFORD COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Department of Labor (continued)		
WIA Youth Activities FY10 - ARRA	17.259	\$ 20,756
WIA Dislocated Workers - TITLE 1 FY10	17.260	11,261
WIA Dislocated Workers - Rapid Response FY10	17.260	43,997
WIA Dislocated Workers - Early Intervention FY10	17.260	51,992
WIA Dislocated Workers FY10	17.260	262,671
WIA Dislocated Workers - BRAC FY10	17.260	106,026
WIA Dislocated Workers FY10 - ARRA	17.260	316,987
Total Department of Labor		1,694,391
Corporation for National Service		
RSVP FY09	94.002	53,565
RSVP FY10	94.002	36,791
Total Corporation for National Service		90,356
Department of Energy		
Energy and Efficiency Conservation FY10	81.128	21,148
Total Direct Federal Expenditures		16,933,435
<u>INDIRECT FEDERAL EXPENDITURES</u>		
Department of Agriculture		
Passed through the Maryland Department of Human Resources		
Emergency Food Assistance Program (Food Commodities) FY09	10.569	7,005
Emergency Food Assistance Program (Food Commodities) FY10	10.569	14,462
Conservation Planner FY10	10.902	63,212
Total Department of Agriculture		84,679
Department of Commerce		
Passed through the Maryland Department of Natural Resources		
Critical Area FY10	11.419	11,000
Leight Park O&M FY10	11.420	42,560
Anita C. Leight Estuary FY09	11.420	4,797
Public Safety Interoperable Communications Grant Program FY09	11.555	382,249
Total Department of Commerce		440,606
Department of Housing and Urban Development		
Passed through City of Baltimore Department of Housing and Community Development		
Community Development Block Grants - Washington Court Demo FY10	14.228	508,162
Housing Opportunities for Persons with AIDS FY05	14.241	175
Housing Opportunities for Persons with AIDS FY07	14.241	200
Housing Opportunities for Persons with AIDS FY08	14.241	2,760
Housing Opportunities for Persons with AIDS FY09	14.241	58,726
Housing Opportunities for Persons with AIDS FY10	14.241	30,199
Emergency Shelter FY10	14.231	31,870
Total Department of Housing and Urban Development		632,092

The accompanying notes are an integral part of this schedule.

HARFORD COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Department of Justice		
Passed through the Governors Office of Crime Control and Prevention		
Child Advocacy Training Center FY10	16.523	\$ 300
Badges for Baseball FY10	16.541	239
Child Advocacy Center Training FY09	16.543	10,000
CASA - OJJDP FY10	16.547	16,500
Gang Suppression Initiative - BJAGFY07	16.543	113
Family Justice Center FY10 - ARRA	16.579	13,136
Domestic Violence Initiative FY09	16.588	1,053
Domestic Violence Initiative FY10	16.588	17,054
Domestic Violence Legal Assistant FY10	16.588	22,186
Domestic Violence Prosecutor FY10 - ARRA	16.588	157,836
Total Department of Justice		238,417
Department of Transportation		
Passed through the State Department of Highways		
Highway Planning and Construction - MD Safe Routes to School FY10	20.205	129
Highway Planning and Construction - Southampton Road Bridge #47	20.205	2,032,261
Highway Planning and Construction - Harford Creamery Road Bridge Design	20.205	101,906
Resurfacing Roadways ARRA	20.932	905,573
Highway Planning and Construction - St. Clair Road Bridge	20.205	72,973
Highway Planning and Construction - Watervale Road Bridge (Design)	20.205	205,862
Highway Planning and Construction - Bridge Inspection Program	20.205	413,779
Highway Planning and Construction - Carrs Mill Road Bridge	20.205	58,156
Recreational Trails Program - Smith Property/Edgeley Grove Farm	20.219	10,500
Passed through Mass Transit Administration		
Federal Transit-Capital Investment Grants - MTA Capital FY05	20.500	7,784
Federal Transit-Capital Investment Grants - MTA Capital FY09	20.500	693,700
Federal Transit-Capital Investment Grants - MTA Capital FY10	20.500	18,918
Federal Transit-Capital Investment Grants - FY10 - ARRA	20.500	251,242
Transportation Management FY10	20.505	82,192
Federal Transit-Formula Grants - Section 5307 FY09	20.507	86,820
Federal Transit-Formula Grants - Section 5307 FY10	20.507	572,943
Federal Transit-Formula Grants - Rideshare FY10	20.507	88,065
Job Access-Reverse Commute FY09	20.516	293
New Freedom Program FY09	20.521	4,959
New Freedom Program FY10	20.521	28,499
Passed through Department of Transportation Office of Safety Planning		
State and Community Highway Safety - Alcohol Drug Safety FY09	20.600	90,236
State and Community Highway Safety - DUI Drug Court Improvements FY09	20.600	3,925
State and Community Highway Safety - DUI Drug Court Improvements FY10	20.600	23,198

The accompanying notes are an integral part of this schedule.

HARFORD COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Department of Transportation (continued)		
Passed through Mema-Pipeline and Hazardous Material Federation Safety Administration		
HMEP Training FY09	20.703	\$ 5,460
Total Department of Transportation		5,759,373
 Environmental Protection Agency		
Passed through National Fish and Wildlife Federation		
Wheel Creek Watershed Restoration	66.466	33,950
 Department of Homeland Security		
Passed through Maryland Emergency Management Agency		
Interoperable Emergency Community FY09	97.001	64,005
Urban Area Safety Initiative – Volunteer Mobilization FY08	97.008	9,669
Urban Area Safety Initiative – Command Vehicle FY08	97.008	52,986
Urban Area Safety Initiative – Hazmat Support FY08	97.008	162,467
FFY08 HSGP Emergency Planner FY09	97.008	116,673
UASI Conference FY09	97.008	396
Harford County CCTV FY09	97.008	130,001
Tactical Team Equipment and Training FY09	97.008	73,357
HB770 Vulnerable Pop. Plan/Train FY09	97.008	4,080
MCCV Maintenance FY09	97.008	8,060
CBRNE Detection and Response FY09	97.008	11,229
Volunteer Mobilization FY09	97.008	8,250
License Plate Reader FY09	97.008	25,000
Web EOC Maintenance FY09	97.008	28,974
HSGP - CMARC Phase III FY09	97.008	956,500
Reg'l Emergency Health Prep and Response FY10	97.008	48,683
Homeland Security Grant Program - UASI Tech Training, Web EOC FY10	97.067	1,586
Homeland Security Grant Program - UASI CCTV FY10	97.067	2,636
Homeland Security Grant Program - Community Right to Know FY09	97.067	4,571
Homeland Security Grant Program - Citizen's Corp FY08	97.067	4,354
Homeland Security Grant Program - State Homeland Security Grant FY08	97.067	2,460
Homeland Security Grant Program - UASI - SQL Server Purchase FY10	97.067	5,000
Homeland Security Grant Program - UASI - Intelligence Equipment FY10	97.067	5,419
Homeland Security Grant Program - UASI - Hazmat FY10	97.067	8,763
Homeland Security Grant Program - UASI - K-9 and Training FY10	97.067	9,015
Homeland Security Grant Program - UASI - Tactical Equipment	97.067	17,441
Homeland Security Grant Program - UASI - Emergency Planners	97.067	41,077
Emergency Management Performance Grant FY10	97.042	169,129
Citizen Corps	97.073	1,853
Homeland Security Grant Program FY09	97.073	262,612
Homeland Security Grant Program FY10	97.073	74,592
Total Department of Homeland Security		2,310,838

The accompanying notes are an integral part of this schedule.

HARFORD COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Department of Health and Human Services		
Passed through Maryland Office of Aging		
Title IIIA - Area Agency FY09	93.042	\$ 3,369
Title IIIA - Area Agency FY10	93.042	23,640
Title IIID FY09	93.043	5,478
Title IIID FY10	93.043	8,518
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers FY09	93.044	45,985
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers FY10	93.044	104,858
Special Programs for the Aging-Title III, Part C-Nutrition Services A FY09	93.045	47,693
Special Programs for the Aging-Title III, Part C-Nutrition Services B FY09	93.045	44,697
Special Programs for the Aging-Title III, Part C-Nutrition Services A FY10	93.045	132,456
Special Programs for the Aging-Title III, Part C-Nutrition Services B FY10	93.045	83,198
SMP - Formerly CAMM FY10	93.048	6,809
Title IIIE FY09	93.052	25,061
Title IIIE FY10	93.052	35,433
Bose Incentive FY05	93.563	198
Drug Free Community Support FY09	93.276	36,355
Drug Free Community Support FY10	93.276	55,647
Anti-Gang Strategy FY09	93.276	99,874
Temp Assist Needy Families FY10	93.558	70,742
Medical Assistance Program - Medicaid Waiver FY09	93.778	2,160
Medical Assistance Program - Medicaid Waiver FY10	93.778	104,733
SHIP FY10	93.779	19,521
SHIP FY11	93.779	167
MIPPA FY10	93.779	3,475
Money Follows the Person FY10	93.779	4,266
Passed through Department of Human Services		
Child Support Enforcement - Cooperative Reimbursement FY09	93.563	154,365
Child Support Enforcement - Cooperative Reimbursement FY10	93.563	512,072
Child Support Enforcement - Sheriff Cooperative Reimbursement FY09	93.563	140,091
Child Support Enforcement - Sheriff Cooperative Reimbursement FY10	93.563	387,801
Child Support Enforcement - BOSE Incentive FY08	93.563	1,235
Child Support Enforcement - BOSE Incentive FY10	93.563	704
Child Support Enforcement - BOSE Incentive FY10 - ARRA	93.563	8,508
Access & Visitation FY09	93.597	3,479
Access & Visitation FY10	93.597	28,348
Trauma Recognition and Certification FY10	93.643	38,619
Aging Home-Delivered Nutrition Services for States - FY09 - ARRA	93.705	22,908
Passed through Department of Health and Mental Hygiene		
Block Grants for Prevention and Treatment of Substance Abuse FY10	93.959	103,476
Total Department of Health and Human Services		2,365,939
Total Indirect Federal Expenditures		11,865,894
Total Expenditures of Federal Awards		\$ 28,799,329

The accompanying notes are an integral part of this schedule.

HARFORD COUNTY, MARYLAND

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Federal grant operations of Harford County, Maryland (the County) are included in the scope of the Office of Management and Budget (OMB) Circular A-133 audit (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Circular A-133 (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the major grant programs noted below. The programs on the Schedule of Expenditures of Federal Awards represent all Federal award programs and other grants with fiscal year 2010 cash or non-cash expenditure activities. For our single audit testing, we tested Federal award programs below with 2010 cash and non-cash expenditures in excess of \$863,980 to ensure coverage of at least 25% of Federally granted funds. Our actual coverage was 28%.

<u>Major Programs</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Public Safety Interoperable Communications Grant Program	11.555	\$ 382,249
Community Development Block Grants/Entitlement Grants	14.218	1,501,797
Washington Court/ Havre de Grace Field Development	14.219	968,233
Domestic Violence Grants	16.588	198,129
Technology Upgrade/ E-Ticket Implementation/ Warrant Reduction Program - ARRA	16.803	151,272
In Car Cameras - ARRA	16.804	201,281
	17.258/17.259/	
WIA Cluster	17.260	1,694,391
Federal Transit-Capital Investment Grants - ARRA	20.500	971,644
Resurfacing Roadways ARRA	20.932	905,573
Child Support Enforcement - Cooperative Reimbursement/ Bose Incentive - ARRA/ Sheriff Coop Agreement	93.563	1,204,974
		<u>\$ 8,179,543</u>

2. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards has been accounted for on the accrual basis of accounting.

HARFORD COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010**

Section I - Summary of Independent Public Accountants' Results

Financial Statements

Type of Independent Public Accountants' report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies(s) identified that are not considered to be material weaknesses?	None reported
Type of Independent Public Accountants' report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	None

HARFORD COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010**

Identification of Major Programs:

<u>Major Programs</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Public Safety Interoperable Communications Grant Program	11.555	\$ 382,249
Community Development Block Grants/Entitlement Grants	14.218	1,501,797
Washington Court/ Havre de Grace Field Development	14.219	968,233
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Resurfacing Roadways ARRA	20.932	905,573
Child Support Enforcement - Cooperative Reimbursement/ Bose Incentive - ARRA/ Sheriff Coop Agreement	93.563	1,204,974
		<u>\$ 8,179,543</u>
Threshold for distinguishing between Type A and B programs		\$863,980
Did the County qualify as a low risk auditee?		Yes

Section II – Financial Statement Findings

None noted.

Section III - Federal Award Findings

None noted.

HARFORD COUNTY, MARYLAND

**Schedule of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2010**

There were no findings that must be reported in accordance with OMB Circular A-133 for the year ended June 30, 2009.