



CHARLES COUNTY, MARYLAND

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

For the Year Ended June 30, 2018



S B & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

JUNE 30, 2018

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 UNIFORM GUIDANCE	6
SUPPLEMENTAL SCHEDULES	
Schedule of Expenditures of Federal Awards	9
Notes to the Schedule of Expenditures of Federal Awards	13
Schedule of Findings and Questioned Costs	15
Schedule of Prior Year Audit Findings and Questioned Costs	17



REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The County Commissioners of Charles County
La Plata, Maryland

Report on the Financial Statements

We have audited the accompanying 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 the County Commissioners of Charles County, Maryland (the County), as of and for the year ended June 30, 2018, 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 did not audit the financial statements of the Board of Education of Charles County, Maryland, or the Board of Library Trustees for Charles County, Maryland. 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, are 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 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 opinion.

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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 10 to the financial statements, during the year ended June 30, 2018, the County adopted new accounting guidance from Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the accompanying schedule of revenues, expenditures, and changes in fund balance budget to actual – general fund, the schedules of changes in pension fund net pension liability and related ratios and the schedules of employer contributions for the Sheriff and County Pension Plans, schedule of changes in the County's net OPEB liability and related ratios, schedule of employer contributions, and schedule of investment returns for the Other Post-Employment Benefits (OPEB) 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.



Supplementary and 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 introductory section, statistical tables and combining and individual fund statements, and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund statements and the Schedule of Expenditures of Federal Awards are 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. 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 and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical tables 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 December 21, 2018, 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.

Hunt Valley, Maryland
December 21, 2018



**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***

The County Commissioners of Charles County
La Plata, 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 County Commissioners of Charles County, Maryland (the County) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 21, 2018.

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.



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.

Hunt Valley, Maryland
December 21, 2018

A handwritten signature in black ink that reads 'SB & Company, LLC' in a cursive script.



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

The County Commissioners of Charles County
La Plata, Maryland

Report on Compliance for Each Major Federal Program

We have audited the County Commissioners of Charles County, Maryland (the County) 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, 2018. 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, 2018.

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 audit of compliance, 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.



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

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.

Hunt Valley, Maryland
February 15, 2019

SB & Company, LLC

CHARLES COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2018

Federal Grantor/Pass through Grantor/Program or Cluster Title	Federal CFDA Number	Grantor's Number	Grant Period	Federal Expenditures	Cluster Total	Subrecipients
U.S. Department of Defense						
Pass through U.S. Navy pass through MD Dept. of Natural Resources None Specified ☐	Unknown	None	4/24/17 - 12/31/17	\$ 177,000		
Total U.S. Department of Defense				<u>177,000</u>		
U.S. Department of Housing & Urban Development:						
Direct						
Section 8 Housing Choice Voucher Program	14.871	MD024 VO0138, VO0139, VOPR16, VO0140, VO01141, VO0142, VO0143, VO0144, VO0145, VOPR17	07/01/17 - 06/30/18	8,407,063		
Section 8 Housing Choice Voucher Program	14.871	MD024 AF0107, AF0108, AF0109, AF0110, AF0111 AF0112, AF0113	07/01/17 - 06/30/18	707,163		
Economic Development Initiative - Special Project, Neighborhood Initiative and Misc Grants	14.251	B-10-SP-MD-0061	09/01/10 - 09/30/17	12,699		
Pass through MD Dept. of Housing & Community Development Emergency Solutions Grant Program	14.231	2018-ESG-07-2017	10/01/17 - 12/31/18	<u>38,235</u>		\$ 38,235
Total U.S. Department of Housing & Urban Development				<u>9,165,160</u>		
U.S. Department of the Interior						
Direct						
Payments in Lieu of Taxes (PILT)	15.226	None	07/01/17 - 06/30/18	10,680		
Pass through MD Dept. of Natural Resources Coastal Wetlands Planning, Protection and Restoration National Coastal Wetlands Grants	15.614	F17AP00143	04/24/17 - 12/31/17	413,000		
Pass through MD Dept. of Planning Historical Trust Historic Preservation Fund Grants-In-Aid	15.904	24-17-151345	04/07/17 - 07/31/18	<u>18,000</u>		
Total U.S. Department of the Interior				<u>441,680</u>		
U.S. Department of Justice:						
Direct						
Joint Law Enforcement Operations (JLEO)	16.111	AFF-B-OP JLEOTFS6 25302 (JLEO-18-0069)	10/02/17- 09/30/18	8,199		
Joint Law Enforcement Operations (JLEO)	16.111	AFF-B-OP JLEOTFS6 25302 (JLEO-17-0069)	10/19/16 - 09/30/17	2,138		
Joint Law Enforcement Operations (JLEO)	16.111	Hyattsville I Violent Crime/Exile Task Force	05/16/13 - 09/30/17	658		
Joint Law Enforcement Operations (JLEO)	16.111	Hyattsville I Violent Crime/Exile Task Force	07/10/17 - 09/30/22	7,657		
Public Safety Partnership and Community Policing Grants	16.710	2016-UM-WX-0121	09/01/16 - 08/31/19	119,989		
The Edward J. Byrne Memorial Justice Assistance Grant: Officer Safety, Equipment Upgrade and Drug Court Support Program	16.738	2014-DJ-BX-0660	10/01/13 - 06/30/18	598		
The Edward J. Byrne Memorial Justice Assistance Grant: Local Solicitation CCSO Equipment Upgrade and Drug Court Support Program	16.738	2015-DJ-BX-0537	10/01/14 - 09/30/18	2,691		
The Edward J. Byrne Memorial Justice Assistance Grant: Officer Safety, Equipment Upgrade and Drug Court Support Program	16.738	2016-DJ-BX-0959	10/01/15 - 09/30/19	15,427		

CHARLES COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2018

Federal Grantor/Pass through Grantor/Program or Cluster Title	Federal CFDA Number	Grantor's Number	Grant Period	Federal Expenditures	Cluster Total	Subrecipients
Equitable Sharing Program	16.922	NCIC/ORI/Tracking Number MD0090000	Two years from receipt.	43,605		
Washington Division Office Task Force	16.Unknown	Drug Diversion Group #33	10/01/16 - 09/30/17	3,051		
Washington Division Office Task Force	16.Unknown	Drug Diversion Group #13	10/01/17 - 09/30/18	7,489		
Washington Division Office Task Force	16.Unknown	HIDTA Task Force Group 4 (43)	10/01/17- 09/30/18	14,360		
Organized Crime Drug Enforcement Task Forces Program (OCDETF)	16.Unknown	MA-MD-0663	03/01/18 - 09/30/18	20,500		
Pass through the Governor's Offices of Crime Control & Prevention						
The Edward J. Byrne Memorial Justice Assistance Grant: TruNarc Drug Identification	16.738	BJAG-2014-0052 Federal Grant #: 2014-MU-BX-1046	10/01/17 - 09/30/18	29,882		
The Edward J. Byrne Memorial Justice Assistance Grant: LETS - Investigative Interviewing & Interrogation Techniquet Training	16.738	BJNT-2014-0066 Federal Grant #: 2014-MU-BX-1046	05/01/18 - 06/30/18	795		
The Edward J. Byrne Memorial Justice Assistance Grant: LETS - Identification Annual Educational Conference	16.738	BJAG-2014-0040	07/01/2017 - 08/31/2017	1,816		
The Edward J. Byrne Memorial Justice Assistance Grant	16.751	CJRI-2015-0003 Federal ID: 2015-ZB-BX-K002	10/01/17 - 06/30/18	15,998		
Pass through the GOCCP through the Cal Ripken Sr. Foundation						
Juvenile Mentoring Program: Badges for Baseball	16.726	2017-FED-OJJDP-B4B-MD-1658	10/01/16 - 09/30/17	1,752		
Juvenile Mentoring Program: Badges for Baseball	16.726	2018-FED-OJJDP-B4B-MD-1	10/01/17 - 09/30/18	2,661		
Total U.S. Department of Justice				<u>299,266</u>		
U. S. Department of Transportation:						
Pass through the MD Department of Transportation						
Highway Planning and Construction - Federal-Aid Highway Program, Federal Lands Highway Program	20.205	Federal Project #1200005, CH378ZM1	05/11/17 to completion	126,715		
National Motor Carrier Safety Assistance Program (MCSAP)	20.218	MCSAP Program Charles Co. Overtime	10/01/17 - 09/30/18	560		
National Motor Carrier Safety Assistance Program (MCSAP)	20.218	MCSAP Program Charles Co. Overtime	10/01/16 - 09/30/17	4,352		
Federal Transit Formula Grants / Urbanized Area Formula Program	20.507	CH045339C2015	07/01/14 - 06/30/18	118,238		
Federal Transit Formula Grants / Urbanized Area Formula Program	20.507	CH045307C2015	07/01/14 - 06/30/18	75,197		
Federal Transit Formula Grants / Urbanized Area Formula Program	20.507	CH045307C2016	07/01/15 - 06/30/18	428,501		
Federal Transit Formula Grants / Urbanized Area Formula Program	20.507	CH045307C2017	07/01/16 - 06/30/19	223,578		
Federal Transit Formula Grants / Urbanized Area Formula Program	20.507	CH045307C2018	07/01/17 - 06/30/20	97,998		
Federal Transit Formula Grants / Urbanized Area Formula Program - Section 5307	20.507	CH045307O2018, Line Item 30.09.01	07/01/17 - 06/30/18	2,431,235		
Formula Grants for Rural Areas – Section 5311	20.509	CH045311O2017, Line Item 30.09.01	07/01/17 - 06/30/18	78,423		
State & Community Highway Safety Program	20.600	Project LE 16-019	10/01/15 - 09/30/16	270		
State & Community Highway Safety Program	20.600	LE-Charles Co Sheriff-2018-181	10/01/17 - 09/30/18	12,883		
State & Community Highway Safety Program	20.600	LE-Charles Co Sheriff-2018-205	10/01/17 - 09/30/18	9,742		
State & Community Highway Safety Program	20.600	LE-Charles Co Sheriff-2018-206	10/01/17 - 09/30/18	2,940		
National Priority Safety Programs	20.616	Project LE 17-060	10/01/16 - 09/30/17	1,596		
National Priority Safety Programs	20.616	LE-Charles Co Sheriff-2018-206	10/01/17 - 09/30/18	17,183		
Pass through MD Emergency Mgmt. Agency						
Interagency Hazardous Materials Public Sector Training & Planning Grants	20.703	HM-HMP-0546-16-01-00 (MEMA #17-GA 8843-04)	10/01/16 - 09/30/2018	5,995		
Total U.S. Department of Transportation				<u>3,635,406</u>		

CHARLES COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2018

Federal Grantor/Pass through Grantor/Program or Cluster Title	Federal CFDA Number	Grantor's Number	Grant Period	Federal Expenditures	Cluster Total	Subrecipients
U.S. Environmental Protection Agency:						
Pass through MD Department of the Environment Congressionally Mandated Projects	66.202	XP-96300301-3	12/07/10 - 06/30/2019	259,493		
Total U.S. Environmental Protection Agency				259,493		
U.S. Dept. of Health & Human Services						
Direct						
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	6U79SM062471-01M001	09/30/15 - 09/29/19	1,030,534		722,489
Substance Abuse & Mental Health Services Projects of Regional & National Significance	93.243	5H79TI026104-02	09/30/16 - 09/29/17	76,130		
Substance Abuse & Mental Health Services Projects of Regional & National Significance	93.243	5H79TI026104-03	09/30/17 - 09/29/18	184,650		
Pass through MD Department of Aging						
Special Programs for the Aging Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	18AAMDT7EA (MDoA #650918/08)	10/01/07 - 09/30/18	1,486		
Special Programs for the Aging Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	17AAMDT7EA (MDoA #650918/08)	10/01/16 - 09/30/17	499		
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	18AAMDT7EA (MDoA #650917/08)	10/01/07 - 09/30/18	5,052		
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	17AAMDT7OM (MDoA #650717/08)	10/01/16 - 09/30/17	1,768		
Special Programs for the Aging Title III, Part D Disease Prevention & Health Promotion Services	93.043	18AAMDT3PH (MDoA #650618/08)	10/01/07 - 09/30/18	5,960		
Special Programs for the Aging Title III, Part D Disease Prevention & Health Promotion Services	93.043	17AAMDT7PH (MDoA #650617/08)	10/01/16 - 09/30/17	2,025		
Special Programs for the Aging Title III, Part B Grants for Supportive Services & Senior Centers	93.044	18AAMDT3SS (MDoA #650118/08)	10/01/07 - 09/30/18	64,141	64,141	
Special Programs for the Aging Title III, Part B Grants for Supportive Services & Senior Centers	93.044	17AAMDT3SS (MDoA #650117/08)	10/01/16 - 09/30/17	42,866	42,866	
Special Programs for the Aging Title III, Part C Nutrition Services - C1	93.045	17AAMDT3CM (MDoA #650217/08)	10/01/16 - 09/30/17	61,722	61,722	
Special Programs for the Aging Title III, Part C Nutrition Services - C2	93.045	17AAMDT3HD (MDoA #650317/08)	10/01/16 - 09/30/17	38,380	38,380	
Special Programs for the Aging Title III, Part C Nutrition Services - C1	93.045	18AAMDT3CM (MDoA #650218/08)	10/01/07 - 09/30/18	88,636	88,636	
Special Programs for the Aging Title III, Part C Nutrition Services - C2	93.045	18AAMDT3HD (MDoA #650318/08)	10/01/07 - 09/30/18	92,872	92,872	
Nutrition Services Incentive Program	93.053	18AAMDNSIP (MDoA #650518/08)	10/01/07 - 09/30/18	5,183	5,183	
Nutrition Services Incentive Program	93.053	18AAMDNSIP (MDoA #650518/08)	10/01/07 - 09/30/18	20,731	20,731	
Nutrition Services Incentive Program	93.053	17AAMDNSIP (MDoA #650517/08)	10/01/16 - 09/30/17	7,680	7,680	
Special Programs For the Aging Title IV & Title II Discretionary Projects: Health Care Fraud Program Expansion & SMP Capacity Building Grants	93.048	90MP0227-03-02 (MDoA #653418/08)	06/01/17 - 05/31/18	2,543		
National Family Caregiver Support, Title III, Part E	93.052	17AAMDT3FC (MDoA #652017/08)	10/01/16 - 09/30/17	13,605		
National Family Caregiver Support, Title III, Part E	52.052	18AAMDT3FC (MDoA #652018/08)	10/01/07 - 09/30/18	33,313		
Medicare Enrollment Assistance Program MIPPA	93.071	1701MDMISH-01 (MDoA #65371718/08)	09/30/17 - 09/29/18	1,596		
Medicare Enrollment Assistance Program MIPPA	93.071	1701MDMIAA-01 (MDoA #65381718/08)	09/30/17 - 09/29/18	897		
Medicare Enrollment Assistance Program MIPPA	93.071	1701MDMIDR-01 (MDoA #65391718/08)	09/30/17 - 09/29/18	831		
State Health Insurance Assistance Program	93.324	90SAPG0003-01-01 (MDoA #651518/08)	04/01/17 - 03/31/18	15,000		
Pass through MD Department of Human Resources / Charles County Department of Social Services Promoting Safe & Stable Families	93.556	CHA/FACS/18-004	07/01/17 - 06/30/18	73,934		

CHARLES COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2018

Federal Grantor/Pass through Grantor/Program or Cluster Title	Federal CFDA Number	Grantor's Number	Grant Period	Federal Expenditures	Cluster Total	Subrecipients
Child Support Enforcement Administration						
Child Support Enforcement	93.563	CSEA/CRA-17-042	10/01/16 - 09/30/17	138,347		
Child Support Enforcement	93.563	CSEA/CRA-18-042	10/01/17 - 09/30/18	381,129		
Child Support Enforcement	93.563	CSEA/CRA-17-037	10/01/16 - 06/30/17	37,174		
Child Support Enforcement	93.563	CSEA/CRA-18-037	10/01/17 - 09/30/18	111,154		
Pass through MD Department of Health & Mental Hygiene Pass through the MD Institute for Emergency Medical Services Systems (MIEMSS)						
National Bioterrorism Hospital Preparedness Program	93.889	S18CW0326P	09/01/17 - 09/30/17	4,346		
Total U.S. Dept. of Health & Human Services				<u>2,544,184</u>		
Centers for Medicare & Medicaid Services						
Pass-through MD Dept. of Aging						
Centers for Medicare & Medicaid Services (CMS) Research, Demonstrations & Evaluations: Money Follows the Person Rebalancing Demonstration	93.779	APD-16-21	07/01/17 - 06/30/18	8,388		
Centers for Medicare & Medicaid Services (CMS) Research, Demonstrations & Evaluations: MD Access Point	93.779	None	07/01/17 - 06/30/18	215,517		
Total Centers for Medicare & Medicaid Services				<u>223,905</u>		
Executive Office of the President						
Pass through Department of Justice						
High Intensity Drug Trafficking Areas Program	95.001	G15WB0004A	01/01/16 - 12/31/16	7,109		
High Intensity Drug Trafficking Areas Program	95.001	G16WB0004A	01/01/17 - 12/31/17	3,800		
Total Executive Office of the President				<u>10,909</u>		
Department of Homeland Security						
Pass through MD Emergency Mgmt. Agency						
Emergency Mgmt. Performance Grant	97.042	EMW-2017-EP-00001-S01 / 97.042 (MEMA GMS# 17-SR-8843-02)	10/01/16 - 06/30/18	103,136		
Pre-Disaster Mitigation	97.047	PDMC-PL-03-MD-2016-003 EMW-2016-SS-00008-S01	08/30/16 - 08/30/19	67,385		
Homeland Security Grant Program FFY16 - SHSG	97.067	(MEMA GMS# 16-SR-8843-02)	09/01/16 - 08/31/18	41,922		
Homeland Security Grant Program FFY17 - SHSG	97.067	EMW-2017-SS-00019 SHSP / 97.067 (MEMA GMS# 17-SR-8843-03)	09/01/17 - 07/31/19	43,056		
Pass through MD Department of Health & Mental Hygiene Pass through the MD Institute for Emergency Medical Services Systems (MIEMSS)						
Homeland Security Grant Program FFY16 - SHSG	97.067	EMW-SS-00008-S01 MIEMSS # SHSGP-2016-09	08/15/17 - 04/01/18	45,000		
Total Department of Homeland Security				<u>300,499</u>		
TOTAL Expenditures of Federal Awards				<u>\$ 17,057,502</u>	<u>\$ 422,211</u>	<u>\$ 760,724</u>

CHARLES COUNTY, MARYLAND

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Federal grant operations of the County Commissioners of Charles County, Maryland (the County) are included in the scope of Title 2 U.S. Code of Federal Regulations part 200, Uniform Administration Requirement, Cost Principles, and Audit Requirements for Federal Awards (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant program noted below. The programs on the schedule of expenditures of Federal awards represent all Federal award programs and other grants with fiscal year 2018 cash or non-cash expenditure activities. We have evaluated the Federal financial assistance programs of the County for the year ended June 30, 2018, and have selected major programs listed below for testing. Our coverage for testing was 26% of all Federal expenditures. The major program tested is listed below.

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

<u>Major Programs</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Federal Transit Formula Grants/Urbanized Area Formula Program	20.507	\$ 3,374,747
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	<u>1,030,534</u>
		<u>\$ 4,405,281</u>

2. BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal awards (the Schedule) includes the Federal award activity of the County under programs of the Federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

CHARLES COUNTY, MARYLAND

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2018

3. LOANS OUTSTANDING

The County administers low-income housing loan programs under the Community Development Block Grant Program and the Neighborhood Conservation Initiative Program. The County had the following loan balance outstanding as of June 30, 2018:

Program	CFDA Number	Outstanding Loan Balance
Community Development Block Grant	14.228	\$ 450,000
Neighborhood Conservation Initiative Program	14.228	514,984
		\$ 964,984

CHARLES COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018**

Section I - Summary of Independent Public Accountants' Results

Financial Statements

Type of Independent Public Accountants' report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Type of Independent Public Accountants' report issued on compliance for major programs	Unmodified
Internal control over major programs:	
Material weakness identified?	No
Significant deficiency identified?	None reported
Audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	No

CHARLES COUNTY, MARYLAND

**Schedule of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2018**

Identification of Major Programs Tested:

<u>Major Programs</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Federal Transit Formula Grants/Urbanized Area Formula Program	20.507	\$ 3,374,747
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	1,030,534
		<u>\$ 4,405,281</u>
Threshold for distinguishing between Type A and B programs		\$ 750,000
Did the County qualify as a low risk auditee?		Yes

Section II – Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

CHARLES COUNTY, MARYLAND

**Schedule of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2018**

No Prior Year Findings.