



CHARLES COUNTY, MARYLAND

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

For the Year Ended June 30, 2016



S B & COMPANY, LLC
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JUNE 30, 2016

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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, 2016, 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.



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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, 2016 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.

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's and County Pension Plans, and the schedules of funding progress and employer contributions 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.



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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 28, 2016, 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 28, 2016

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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***

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, 2016, 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 28, 2016.

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.



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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 28, 2016

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**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, 2016. 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 the requirements of laws, regulations, contracts, and grants 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, 2016.

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.



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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
December 28, 2016

S B & Company, LLC

CHARLES COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Grantor's/ Passthrough Number	Grant Period	Federal Expenditures
U.S. Department of Agriculture				
Pass through MD Dept. of Education				
Child & Adult Care Food Program	10.558	DCS (341100)	10/01/14 - 09/30/15	\$ 598
Child & Adult Care Food Program	10.558	DCS (341100)	10/01/15 - 09/30/16	<u>866</u>
Total U.S. Department of Agriculture				<u>1,464</u>
U.S. Department of Defense				
Direct				
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610	HQ00051310105	08/01/13 - 09/30/16	<u>22,526</u>
U.S. Department of Housing & Urban Development				
Direct				
Section 8 Housing Choice Voucher Program	14.871	MD024 VO0126 - 0132, & VOPR14, VO14PR	07/01/15 - 06/30/16	8,831,126
Section 8 Housing Choice Voucher Program	14.871	MD024 AF0094, 0096 - 0101 & AFR215, AFR315, AFR415, AFHV09, AFR116	07/01/15 - 06/30/16	796,396
Pass through MD Dept. of Housing & Community Development				
Community Development Block Grants/Special Purpose Grants/Insular Areas	14.225	MD-15-DR-5	05/23/14 - 07/03/16	98,193
Community Development Block Grant/State's Program	14.228	MD-15-CD-31	06/30/14 - 07/31/16	70,000
Emergency Solutions Grant Program	14.231	15ESG07-2014	10/01/14 - 09/30/16	5,205
Emergency Solutions Grant Program	14.231	16ESG07-2015	10/01/15 - 07/22/17	<u>49,030</u>
Total U.S. Department of Housing & Urban Development				<u>9,849,950</u>
U.S. Department of the Interior				
Direct				
Payments in Lieu of Taxes (PILT)□	15.226	None	07/01/15 - 06/30/16	<u>5,739</u>
U.S. Department of Justice:				
Direct				
Joint Law Enforcement Operations (JLEO)	16.111	AFF-B-OP JLEOTFS6 25302 (JLEO-16-0069)	10/03/15 - 09/30/16	6,640
Joint Law Enforcement Operations (JLEO)	16.111	AFF-B-OP JLEOTFS6 25302 (JLEO-15-0069)	10/06/14 - 09/30/15	3,090
Joint Law Enforcement Operations (JLEO)	16.111	Hyattsville I Violent Crime/Exile Task Force	05/16/13 - 09/30/17	6,061
Drug Court Discretionary Grant Program: Juvenile Drug Court	16.585	2014-DC-BX-0090	10/01/14 - 09/30/17	975
State Criminal Alien Assistance Program	16.606	2014-AP-BX-0458	7/1/2013 - 6/30/2014	1,754
State Criminal Alien Assistance Program	16.606	2015-AP-BX-0507	7/1/2012 - 6/30/2013	16,063
The Edward J. Byrne Memorial Justice Assistance Grant: Local Solicitation CCSO				
Equipment Upgrade & Drug Court Support Program	16.738	2013-DJ-BX-0489	10/01/12 - 09/30/16	1,665
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 - 09/30/17	14,870

The accompanying notes are an integral part of this schedule.

CHARLES COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2016

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Grantor's/ Passthrough Number	Grant Period	Federal Expenditures
U.S. Department of Justice: (continued)				
The Edward J. Byrne Memorial Justice Assistance Grant: Local Solicitation CCSO				
Equipment Upgrade & Drug Court Support Program	16.738	2015-DJ-BX-0537	10/01/14 - 09/30/18	24,550
Equitable Sharing Program	16.922	NCIC/ORI/Tracking Number MD0090000	Two years from receipt.	71,203
Washington Division Office Task Force	16.Unknown	Drug Diversion Group #33	10/01/14 - 09/30/15	307
Washington Division Office Task Force	16.Unknown	Drug Diversion Group #33	10/01/15 - 09/29/16	2,510
Washington Division Office Task Force	16.Unknown	HIDTA Task Force Group 1 (48)	09/30/14 - 09/29/15	1,686
Washington Division Office Task Force	16.Unknown	HIDTA Task Force Group 4 (48)	09/30/15 - 09/29/16	17,265
Organized Crime Drug Enforcement Task Forces Program (OCDETF)	16.Unknown	MA-MD-615	03/01/16 - 09/30/16	4,043
Organized Crime Drug Enforcement Task Forces Program (OCDETF)	16.Unknown	MA-MD-0597	10/01/15 - 05/31/16	2,389
Pass-through the Governor's Office of Crime Control & Prevention				
The Edward J. Byrne Memorial Justice Assistance Grant: JDC	16.738	BJAG-2013-0015	10/01/14 - 09/30/15	6,560
The Edward J. Byrne Memorial Justice Assistance Grant: Family Recovery Court	16.738	BJAG-2014-0019	10/01/15 - 09/30/16	77,860
The Edward J. Byrne Memorial Justice Assistance Grant: Detention Center Equipment Upgrades	16.738	BJAG-2012-0075	05/01/15 - 12/31/15	48,346
The Edward J. Byrne Memorial Justice Assistance Grant: LETS - International Breacher's Symposium Training	16.738	BJNT-2012-0012	09/01/15 - 11/30/15	1,649
The Edward J. Byrne Memorial Justice Assistance Grant: LETS - Crime Scene Investigator Training	16.738	BJNT-2012-0013	09/01/15 - 11/30/15	1,119
The Edward J. Byrne Memorial Justice Assistance Grant: LETS - Cell Phone Investigation Training	16.738	BJAG-2012-009	01/01/16 - 03/31/16	1,695
The Edward J. Byrne Memorial Justice Assistance Grant: CCSO Technology Advancement Program	16.738	BJAG-2013-0028	10/01/15 - 09/30/16	13,308
Pass-through the GOCCP through the Cal Ripken Sr. Foundation				
Juvenile Mentoring Program: Badges for Baseball	16.726	2015-FED-MSM-B4B-MD-1	10/01/14 - 10/31/15	69
Total U.S. Department of Justice				<u>325,677</u>
U. S. Department of Transportation				
Pass through the MD Department of Transportation				
National Motor Carrier Safety Assistance Program (MCSAP)	20.218	MCSAP Program Charles Co. Overtime	10/01/15 - 09/30/16	3,213
National Motor Carrier Safety Assistance Program (MCSAP)	20.218	MCSAP Program Charles Co. Overtime	10/01/14 - 09/30/15	293
Federal Transit Formula Grants / Urbanized Area Formula Program	20.507	CH045307C2013	07/01/12 - 06/30/16	185,600
Federal Transit Formula Grants / Urbanized Area Formula Program	20.507	CH045307C2014	07/01/13 - 06/30/17	22,402
Federal Transit Formula Grants / Urbanized Area Formula Program	20.507	CH045307C2015	07/01/14 - 06/30/17	122,090
Federal Transit Formula Grants / Urbanized Area Formula Program	20.507	CH045307C2016	07/01/15 - 06/30/18	119,536
Federal Transit Formula Grants / Urbanized Area Formula Program - Section 5307	20.507	CH045307O2016, Line Item 30.09.01	07/01/15 - 06/30/16	2,428,246

The accompanying notes are an integral part of this schedule.

CHARLES COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016**

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's/ Passthrough Number</u>	<u>Grant Period</u>	<u>Federal Expenditures</u>
U. S. Department of Transportation (continued)				
Formula Grants for Rural Areas – Section 5311	20.509	CH045311O2016, Line Item 30.09.01	07/01/15 - 06/30/16	78,423
State & Community Highway Safety Program	20.600	Project LE 16-019	10/01/15 - 09/30/16	11,688
State & Community Highway Safety Program	20.600	Project LE 15-017	10/01/14 - 09/30/15	13,260
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Project LE 15-017	10/01/14 - 09/30/15	7,818
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Project LE 16-019	10/01/15 - 09/30/16	20,010
National Priority Safety Programs	20.616	Project LE 16-019	10/01/15 - 09/30/16	5,992
Pass through MD Emergency Mgmt. Agency				
Interagency Hazardous Materials Public Sector Training & Planning Grants	20.703	HM-HMP-0468-15-01-00	10/01/15 - 09/30/16	14,168
Total U.S. Department of Transportation				<u>3,032,739</u>
U.S. Environmental Protection Agency:				
Pass through MD Department of the Environment				
Congressionally Mandated Projects	66.202	XP-963003-01-2	12/07/10 - 03/31/17	<u>105,256</u>
U.S. Department of Education:				
Pass through MD Department of Education				
Race to the Top – Early Learning Challenge	84.412A	#145137	01/01/14 - 10/15/15	<u>1,013</u>
U.S. Dept. of Health & Human Services				
Direct				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	1U79SM062471-01	09/30/15-09/29/19	163,650
Substance Abuse & Mental Health Services Projects of Regional & National Significance	93.243	1H79TI025492-01	09/30/14 - 09/29/15	707
Substance Abuse & Mental Health Services Projects of Regional & National Significance	93.243	5H79TI024212-03	09/30/14 - 09/29/15	74,796
Substance Abuse & Mental Health Services Projects of Regional & National Significance	93.243	1H79TI026104-01	09/30/15 - 09/9/16	182,423
Pass through MD Department of Aging				
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	AAA-3-24-008	10/01/15 - 09/30/16	5,853
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	AAA-3-24-008	10/01/14 - 09/30/15	1,758
Special Programs for the Aging Title III, Part D Disease Prevention & Health Promotion Services	93.043	AAA-3-24-008	10/01/15 - 09/30/16	6,975

The accompanying notes are an integral part of this schedule.

CHARLES COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Grantor's/ Passthrough Number	Grant Period	Federal Expenditures
U.S. Dept. of Health & Human Services (continued)				
Special Programs for the Aging Title III, Part D Disease Prevention & Health Promotion Services	93.043	AAA-3-24-008	10/01/14 - 09/30/15	2,517
Special Programs for the Aging Title III, Part B Grants for Supportive Services & Senior Centers	93.044	AAA-3-24-008	10/01/15 - 09/30/16	64,057
Special Programs for the Aging Title III, Part B Grants for Supportive Services & Senior Centers	93.044	AAA-3-24-008	10/01/14 - 09/30/15	32,380
Special Programs for the Aging Title III, Part C Nutrition Services - C1	93.045	AAA-3-24-008	10/01/14 - 09/30/15	35,052
Special Programs for the Aging Title III, Part C Nutrition Services - C2	93.045	AAA-3-24-008	10/01/14 - 09/30/15	24,883
Special Programs for the Aging Title III, Part C Nutrition Services - C1	93.045	AAA-3-24-008	10/01/15 - 09/30/16	37,412
Special Programs for the Aging Title III, Part C Nutrition Services - C2	93.045	AAA-3-24-008	10/01/15 - 09/30/16	40,542
Special Programs For the Aging Title IV & Title II Discretionary Projects: Health Care Fraud Program Expansion & SMP Capacity Building Grants	93.048	ST-6514-008	09/30/14 - 09/29/15	1,158
Special Programs For the Aging Title IV & Title II Discretionary Projects: Health Care Fraud Program Expansion & SMP Capacity Building Grants	93.048	6516 & 6534	06/01/15 - 05/31/16	2,957
National Family Caregiver Support, Title III, Part E	93.052	AAA-3-24-008	10/01/14 - 09/30/15	8,930
National Family Caregiver Support, Title III, Part E	93.052	AAA-3-24-008	10/01/15 - 09/30/16	28,098
Nutrition Services Incentive Program	93.053	ST-2505-008	10/01/15 - 09/30/16	3,009
Nutrition Services Incentive Program	93.053	ST-2505-008	10/01/15 - 09/30/16	17,051
Nutrition Services Incentive Program	93.053	ST-2505-008	10/01/14 - 09/30/15	780
Nutrition Services Incentive Program	93.053	ST-2505-008	10/01/14 - 09/30/15	10,516
Medicare Enrollment Assistance Program MIPPA	93.779	ST-2517-008	09/30/14 - 09/29/15	2,443
Medicare Enrollment Assistance Program MIPPA	93.779	ST-6517-008	09/30/15 - 09/29/16	4,929
Pass through MD Department of Human Resources				
Charles County Department of Social Services				
Promoting Safe & Stable Families	93.556	CHA/FACS/16-004	07/01/15 - 06/30/17	73,934
Child Support Enforcement Administration				
Child Support Enforcement	93.563	CSEA/CRA-15-042	10/01/14 - 09/30/15	121,550
Child Support Enforcement	93.563	CSEA/CRA-16-042	10/01/15 - 09/30/16	367,917
Child Support Enforcement	93.563	CSEA/CRA-15-012	10/01/14 - 09/30/15	132,879
Child Support Enforcement	93.563	CSEA/CRA-16-012	10/01/15 - 09/30/16	343,135
Child Support Enforcement	93.563	CSEA/CRA-15-037	10/01/14 - 09/30/15	39,283
Child Support Enforcement	93.563	CSEA/CRA-16-037	10/01/15 - 09/30/16	102,440
Pass through MD Department of Health & Mental Hygiene Pass through the MD Institute for Emergency Medical Services Systems (MIEMSS)				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	BT XII-004 PO# D53P5400502	06/05/15-06/30/16	5,838
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	U3REP0502A	07/01/14 - 02/01/15	37,209
Total U.S. Dept. of Health & Human Services				<u>1,977,061</u>

The accompanying notes are an integral part of this schedule.

CHARLES COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016**

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's/ Passthrough Number</u>	<u>Grant Period</u>	<u>Federal Expenditures</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	None	07/01/15 - 06/30/16	10,863
Centers for Medicare & Medicaid Services (CMS) Research, Demonstrations & Evaluations: Senior Health Insurance Program	93.779	6515	04/01/15 - 03/31/16	14,233
Centers for Medicare & Medicaid Services (CMS) Research, Demonstrations & Evaluations: MD Access Point	93.779	6904	07/01/15 - 06/30/16	103,450
Centers for Medicare & Medicaid Services (CMS) Research, Demonstrations & Evaluations: MD Access Point	93.779	ADP-16-05-LTSS	04/01/16 - 06/30/16	<u>43,616</u>
Total Centers for Medicare & Medicaid Services				<u>172,162</u>
Executive Office of the President				
Pass through Department of Justice				
Pass through Washington/Baltimore HIDTA				
Pass through Governor's Office of Crime Control and Prevention				
High Intensity Drug Trafficking Areas Program	95.001	None - Naloxene Procurement	09/09/15 - 12/31/15	<u>3,428</u>
Department of Homeland Security				
Direct				
Port Security Grant Program	97.056	EMW-2015-PU-00282-S01	09/01/15 - 08/31/18	12,736
Pass through MD Emergency Mgmt. Agency				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4261-DR-MD (Project No. DJG-002)	03/04/16 - 09/04/16	1,051,023
Hazard Mitigation Grant	97.039	HMGP-DR-03-MD-4075-19	09/09/14 - 09/09/17	8,989
Hazard Mitigation Grant	97.039	HMGP-DR-4075-MD-0017	09/09/14 - 09/09/17	183,375
		EMW-2015-EP-00008-S01		
Emergency Mgmt. Performance Grant	97.042	(MEMA GMS# 15-GA-8843-04)	10/01/14 - 08/31/16	103,509
		EMW-2014-EP-00011-S01 / 97.042		
Emergency Mgmt. Performance Grant	97.042	(MEMA GMS# 14-SR-8843-01)	10/01/13 - 08/30/15	9,902
		EMW-2013-SS-0002 / 97.073		
Homeland Security Grant Program FFY13 - SHSG	97.067	(MEMA GMS# 13-SR-8843-02)	09/01/13 - 08/16/15	44,527
		EMW-2014-SS-00007-S01		
Homeland Security Grant Program FFY14 - SHSG	97.067	(MEMA GMS# 14-SR-8843-02)	09/01/14 - 05/31/16	41,240
		EMW-2015-SS-00077-S01		
Homeland Security Grant Program FFY15 - SHSG	97.067	(MEMA GMS# 15-GA-8843-03)	09/01/15 - 06/30/17	<u>11,276</u>
Total Department of Homeland Security				<u>1,466,577</u>
TOTAL EXPENDITURE OF FEDERAL AWARDS				<u>\$ 16,963,592</u>

The accompanying notes are an integral part of this schedule.

CHARLES COUNTY, MARYLAND

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2016

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 2016 cash or non-cash expenditure activities. We have evaluated the Federal financial assistance programs of the County for the year ended June 30, 2016, and have selected major programs listed below for testing. Our coverage for testing was 63% 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>
Section 8 Housing Choice Voucher Program	14.871	\$ 9,627,522
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	1,051,023
		<u>\$ 10,678,545</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, 2016. 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, 2016

3. SUBRECIPIENTS

The County provided Federal awards to subrecipients as follows:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount Provided</u>
Emergency Solutions Grant Program	14.231	\$ 54,235
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	144,439
		<u>\$ 198,674</u>

4. LOANS OUTSTANDING

The County administers low-income housing loan programs under the Community Development Block Grant Program. The County had the following loan balance outstanding as of June 30, 2016:

<u>Program</u>	<u>CFDA Number</u>	<u>Outstanding Loan Balance</u>
Community Development Block Grant	14.228	\$1,114,984

CHARLES COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016**

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 Findings and Questioned Costs
For the Year Ended June 30, 2016**

Identification of Major Program Tested:

<u>Major Programs</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Section 8 Housing Choice Voucher Program	14.871	\$ 9,627,522
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	<u>1,051,023</u>
		<u>\$ 10,678,545</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, 2016**

No Prior Year Findings.