

THE COUNTY COMMISSIONERS OF  
CHARLES COUNTY, MARYLAND  
La Plata, Maryland

REPORT ON SINGLE AUDIT  
June 30, 2011

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**Independent Auditor's Report 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 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 the County Commissioners of Charles County, Maryland (the County) as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 31, 2011. We did not audit the financial statements of the Board of Library Trustees for Charles County. These financial statements of the Board of Library Trustees for Charles County were audited by other auditors, whose report thereon has been furnished to us, and our opinion on the financial statements, insofar as they relate to the amounts included for the Board of Library Trustees for Charles County, are based solely on the report 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.

**Internal Control Over Financial Reporting**

Management of the County is responsible for establishing and maintaining effective internal controls 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity'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 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 entity'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 would not necessarily identify all deficiencies in internal control 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.

## **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 County Commissioners of Charles County, management and 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.

*Clifton Gundersen LLP*

Calverton, Maryland  
October 31, 2011

**Independent Auditor's Report on Compliance with Requirements That  
Could Have a Direct and Material Effect on Each Major Program and on  
Internal Control Over Compliance and Schedule of Expenditures of Federal Awards in  
Accordance with OMB Circular A-133**

The County Commissioners of Charles County  
La Plata, Maryland

**Compliance**

We have audited the compliance of the County Commissioners of Charles County, Maryland (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The County's major federal programs are identified in the summary of auditor's 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 Board of Library Trustees for Charles County and the Board of Education of Charles County, component units, which received federal awards which are not included in the Schedule of Federal Awards for the year ended June 30, 2011. We were separately engaged to perform and have separately reported on the result of our audit of the Board of Education of Charles County in accordance with OMB Circular A-133. Our audit described below does not include the operations of the component units, Board of Library Trustees for Charles County and the Board of Education of Charles County. The Board of Library Trustees for Charles County was audited by other auditors.

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, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

## **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 entity'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 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.

## **Schedule of Expenditures of Federal Awards**

We, CliftonLarsonAllen LLP, formed as a result of a combination of Clifton Gunderson LLP and LarsonAllen LLP on January 2, 2012, 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 the County as of and for the year ended June 30, 2011, and have issued our report thereon dated October 31, 2011, which contained an unqualified opinion on those financial statements. The Board of Library Trustees for Charles County and the Board of Education of Charles County, component units, received federal awards which are not included in the Schedule of Federal Awards for the year ended June 30, 2011. We were separately engaged to perform and have separately reported on the results of our audit of the Board of Education of Charles County in accordance with OMB Circular A-133.

Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures

in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

This report is intended solely for the information and use of the County Commissioners of Charles County, management, and 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.

A handwritten signature in black ink that reads "Clifton Larson Allen LLP". The signature is written in a cursive, flowing style.

Calverton, Maryland

February 17, 2012, except for the schedule of expenditures of federal awards  
which is dated October 31, 2011

**THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2011**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass - Through Grantor's Number	Grant Period	Federal Expenditures
U.S. Department of Housing & Urban Development:				
Direct				
Section 8 Housing Choice Voucher Program	14.871	MD024VO	07/01/10-06/30/11	\$ 8,288,014
Section 8 Housing Choice Voucher Program	14.871	MD024AF	07/01/10-06/30/11	701,752
Pass-through MD Dept of Housing and Community Development				
Community Development Block Grant	14.228	MD-08-CD-06	06/04/08-10/31/2010 (Amended end date from 09/30/2009)	18,782
Community Development Block Grant	14.228	MD-NCI-15	03/19/09-06/30/10 All funding must be obligated by 6/30/10 Grant End date is 6/30/13.	51,183 28,520
Emergency Shelter Grant Program	14.231	2009-ESG-BOS-11	10/01/09-09/30/11	
ARRA of 2009: Homeless Prevention & Rapid Rehousing Program (HPRP)	14.257	Funded under the ARRA of 2009 [Docket No. FR- 5307-N-01] MD-DHCD PO No. S0090400483	10/01/09-09/30/12	239,558
<b>Total U.S. Department of Housing &amp; Urban Development</b>				<u>9,327,809</u>
Office of National Drug Control Policy				
Pass-through the University of MD				
High Intensity Drug Trafficking Areas	99.999	Agreement No. I-951402	01/01/10-12/31/10	111,416
<b>Total Office of National Drug Control Policy</b>				<u>111,416</u>
U.S. Department of Agriculture				
Pass-through MD Dept. of Education				
Child & Adult Care Food Program	10.558	DCS (341100)	10/01/10-06/30/11	3,593
Child & Adult Care Food Program	10.558	DCS (341100)	10/01/09-09/30/10	1,182
Pass-through MD Dept. of Human Resources				
Emergency Food Assistance Program (Food Commodities)	10.569	OGM/FNS 09-009-A1	10/01/08-09/30/11	12,621
<b>Total U.S. Department of Agriculture</b>				<u>17,396</u>

**THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2011**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass - Through Grantor's Number	Grant Period	Federal Expenditures
U.S. Department of Commerce				
Pass-through MD Emergency Mgmt. Agency				
Public Safety Interoperable Communications Grant Program, CCG Project #3153	11.555	(MOU) 07-SR 8843-11 Federal Grant Award #: 2007-GS-H7-0034	04/01/07-06/30/12	<u>51,332</u>
<b>Total U.S. Department of Commerce</b>				<u>51,332</u>
U.S. Department of Defense, Office of Economic Adjustment				
Direct				
Community Economic Adjustment Planning Assistance for Joint Land Use Studies	12.610	EN0807-09-01	10/01/08-12/31/11	<u>18,177</u>
<b>Total U.S. Department of Defense</b>				<u>18,177</u>
U.S. Department of the Interior				
Direct				
Preserve America Matching Grant Program	15.929	24-08-AP-4020	04/01/08-04/30/11 Extended	<u>25,598</u>
<b>Total U.S. Department of the Interior</b>				<u>25,598</u>
U.S. Department of Justice:				
Direct				
US Marshals Office Joint Law Enforcement Operations Appropriation Data: FY2010 A3403 5042X JLEOTFS6 SOC 2607	99.999	ISDF-10-0217A	10/06/09-09/30/10	1,345
US Marshals Office Joint Law Enforcement Operations Appropriation Data: FY2011 A3403 5042X JLEOTFS6 SOC 2607	99.999	JLEO-11-0069	10/07/10-09/30/11	1,159
Regional Fugitive Task Force – Appropriation Data: FY2010 0324A A3403 FWF2005F SOC 2599	99.999	MOU# FATF-10-0069	10/01/09-09/30/10	1,162
Regional Fugitive Task Force –Appropriation Data: FY2011 0324A A3403 FWF2005F SOC 2599	99.999	MOU# FATF-11-0069	10/01/10-09/30/11	1,551
Drug Court Discretionary Grant Program - Family Recovery Court	16.585	2010-DC-BX-0101	10/01/10-09/30/13	41,179
Bulletproof Vest Partnership - FFY2010 BFVP	16.607	None	04/01/10-9/30/12 or until all available 2010 awards funds have been requested.	6,733
Bulletproof Vest Partnership - FFY2009 BFVP	16.607	None	04/01/09-9/30/11 or until all available 2009 awards funds have been requested.	3,615

**THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass - Through Grantor's Number	Grant Period	Federal Expenditures
U.S. Department of the Interior (continue)				
Direct				
State Criminal Alien Assistance Program	16.606	2009-AP-BX-0353	Information Period 7/1/2007-6/30/2008 for calculating award	2,090
State Criminal Alien Assistance Program	16.606	2010-AP-BX-0485	Information Period 7/1/2008-6/30/2009 for calculating award	3,993
The Edward J. Bryne Memorial Justice Assistance Grant: CCSO Training Division Equipment Improvements	16.738	2007-DJ-BX-0360	10/01/06-09/30/10	3,298
The Edward J. Bryne Memorial Justice Assistance Grant: Video and Audio Recording	16.738	2008-DJ-BX-0382	10/01/07-09/30/11	7,927
The Edward J. Bryne Memorial Justice Assistance Grant: CCSO Enhancing Training and Serving Extraditions	16.738	2009-DJ-BX-0366	10/01/08-09/30/12	13,331
The Edward J. Bryne Memorial Justice Assistance Grant: Video Conferencing Equipment & Drug Court	16.738	2010-DJ-BX-0225	10/01/09-09/30/13	78,947
Byrne- Justice Assistance Grant - Local Solicitation - ARRA of 2009 (Public Law 111-5): Intelligency Specialist Proposal	16.804	2009-SB-B9-0158	03/01/09-02/28/13	78,615
Washington Division Office Task Force Group 1 (Group 36)	99.999	None	09/30/09-09/30/11	12,137
Pass-through the Govenor's Offices of Crime Control and Prevention				
Juvenile Accountability Block Grants - Juvenile Drug Court	16.523	JABG-2007-1004 (Auth. By: Omnibus Crime Control & Safe Streets Act of 2002 - Managed by SRAD - Public Law 106-553)	01/01/10-08/31/10	4,070
Juvenile Accountability Block Grants - Juvenile Drug Court	16.523	JINT-2007-1003	01/01/10-08/31/10	1,700
Enforcing Underage Drinking Laws Program	16.727	EUDL-2010-1318	07/01/10-06/30/11	16,435
The Edward J. Bryne Memorial Justice Assistance Grant: Auto-Theft Investigators Training Seminar- LETS	16.738	BJAG-2007-1156	06/01/10-09/30/10	2,818
The Edward J. Bryne Memorial Justice Assistance Grant: International Assoc. for Identification Forensics Training - LETS	16.738	BJAG-2007-1157	06/01/10-08/31/10	1,578
The Edward J. Bryne Memorial Justice Assistance Grant: Property Crimes Investigations Conference - LETS	16.738	BJAG-2007-1205	07/01/10-09/30/10	2,413

**THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2011**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass - Through Grantor's Number	Grant Period	Federal Expenditures
Pass-through the Governor's Offices of Crime Control and Prevention				
The Edward J. Byrne Memorial Justice Assistance Grant: Drug Unit Training Seminar - LETS	16.738	BJAG-2007-1208	07/01/10-09/30/10	1,679
The Edward J. Byrne Memorial Justice Assistance Grant: Narcotic Investigators Conference - LETS	16.738	BJAG-2005-1136	08/01/10-09/30/10	1,330
Byrne- Justice Assistance Grant - ARRA of 2009 (Public Law 111-5): Juvenile Drug Court	16.803	BJRA-2009-1106	01/01/10-12/31/10 Extension to 07/31/11	19,649
Byrne- Justice Assistance Grant - ARRA: Violent Offender Warrant Reduction Program	16.803	BJRA-2009-1020	07/01/09-06/30/10 Extended to 06/30/11	18,174
Pass-through the GOCCP through the MD Attorney General through the Cal Ripken Sr. Foundation				
Recovery Act: The Edward J. Byrne Memorial Justice Assistance Grant (BJAG) - Badges for Baseball	16.803	Agreement #2010-ST-B4B- MD5 (BJRA-2009-1120)	01/01/10-12/31/10	<u>16,620</u>
<b>Total U.S. Department of Justice</b>				<u><u>343,548</u></u>
U. S. Department of Transportation: Pass-through the MD Department of Transportation				
Federal Transit Metropolitan Planning Grant - Section 5304	20.505	MD-81-2001-04 MD-90-0118 & MD-90- 0115	Date of agreement (11/11/07) - 12 calendar months from the date of the agreement	68,349
VanGo Capital Grant Agreement	20.507	MD-90-0125	07/01/08-07/01/11	552,254
VanGo Capital Grant Agreement	20.507	MD-90-0125	07/01/09-06/30/12	102,860
VanGo Capital Grant Agreement	20.507	MD-90-0125	07/01/09-06/30/12	8,543
Federal Transit Capital Investment Grants American Recovery and Reinvestment Act (ARRA)	20.507	MD-96-X001	04/01/09-03/31/12	859,750
Federal Transit Capital Investment Grants American Recovery and Reinvestment Act (ARRA)	20.507	Proj #0003(132), State #CH365ZM1	9/18/09 till complete	256,202
Federal Transit Capital Investment Grants American Recovery and Reinvestment Act (ARRA)	20.507	Proj #000A(514), State #CH364ZM1	9/18/09 till complete	1,187,612
Federal Transit Capital Investment Grants American Recovery and Reinvestment Act (ARRA)	20.507	Proj #8502(004), State #CH366ZM1	9/18/09 till complete	32,464
VanGo Urban Transportation - Section 5307	20.507	MD-90-41XX	07/01/10-06/30/11	1,796,848

**THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2011**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass - Through Grantor's Number	Grant Period	Federal Expenditures
U. S. Department of Transportation (continue):				
Pass-through the MD Department of Transportation				
VanGo Rural Public Transportation – Section 5311	20.509	MD-18-4028	07/01/10-06/30/11	78,423
State and Community Highway Safety	20.600	Project 11-314	10/01/10-09/30/11	68,726
State and Community Highway Safety	20.600	Project 10-158	10/01/09-09/30/10	58,516
Pass-through MD Emergency Mgmt. Agency				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	2011 HMEP	10/01/10-09/30/11	7,000
<b>Total U.S. Department of Transportation</b>				<u>5,077,547</u>
U.S. Department of Energy:				
Direct				
Energy Efficiency and Conservation Block Grants (EECBG) (ARRA)	81.128	DE-SC0003420	12/21/09-12/20/12	98,625
<b>Total U.S. Department of Energy</b>				<u>98,625</u>
U.S. Dept. of Health & Human Services				
Pass-through MD Department of Aging				
Title VII: Elder Abuse Prevention/Ombdsman	93.042	AAA-3-24-008	10/01/09-09/30/10	1,535
Title VII: Elder Abuse Prevention/Ombdsman	93.042	AAA-3-24-008	10/01/10-09/30/11	4,604
Title III, Part D: Prevention Health Services	93.043	AAA-3-24-008	10/01/09-09/30/10	8,325
Title III, Part D: Prevention Health Services	93.043	AAA-3-24-008	10/01/10-09/30/11	675
Supportive Services & Senior Centers	93.044	AAA-3-24-008	10/01/09-09/30/10	32,332
Supportive Services & Senior Centers	93.044	AAA-3-24-008	10/01/10-09/30/11	63,461
Title III Part C: Nutrition Services – C1	93.045	AAA-3-24-008	10/01/10-09/30/11	48,719
Title III Part C: Nutrition Services – C2	93.045	AAA-3-24-008	10/01/10-09/30/11	54,539
Title III Part C: Nutrition Services – C1	93.045	AAA-3-24-008	10/01/09-09/30/10	55,370
Title III Part C: Nutrition Services – C2	93.045	AAA-3-24-008	10/01/09-09/30/10	13,282
Special Programs For the Aging Title IV and Title II Discretionary Projects: FY2011				
Senior Medicare Patrol (SMP) Integration Grant	93.048	ST-2516-037	10/01/10-09/30/11	8,912
Title III, Part E: National Family Caregiver Support Program	93.052	AAA-3-24-008	10/01/10-09/30/11	30,843
Title III, Part E: National Family Caregiver Support Program	93.052	AAA-3-24-008	10/01/09-09/30/10	15,114
Title III, Part E: Nutrition Services Incentive	93.053	AAA-3-24-008	10/01/10-09/30/11	4,211
Title III, Part E: Nutrition Services Incentive	93.053	AAA-3-24-008	10/01/10-09/30/11	23,863
Title III, Part E: Nutrition Services Incentive	93.053	AAA-3-24-008	10/01/09-09/30/10	2,091
Title III, Part E: Nutrition Services Incentive	93.053	AAA-3-24-008	10/01/09-09/30/10	13,574
2009 ARRA: Aging Congregate Nutrition Services for States	93.707	ST-ARRA09-001	05/15/09-09/30/10	3,000
Money Follows the Person Rebalancing Demonstration	93.791	M00B9200690-008	07/01/10-06/30/11	7,739

**THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2011**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass - Through Grantor's Number	Grant Period	Federal Expenditures
Pass-through MD Department of Health and Mental Hygiene pass-through the MD Institute for Emergency Medical Services Systems (MIEMSS)				
National Bioterrorism Hospital Preparedness Program	93.889	BT VIII-006	Signature date -06/30/11	51,975
National Bioterrorism Hospital Preparedness Program	93.889	BT VII-003	Signature date -06/30/11	115,080
Pass-through MD Department of Education				
Temporary Assistance for Needy Families – Home Visitation	93.558	SG1044170012	07/01/10-06/30/11	318,170
Temporary Assistance for Needy Families – Healthy Families	93.558	SG1044170012	07/01/10-06/30/11	30,552
Pass-through MD Department of Human Resources-				
Child Support Enforcement Administration				
Child Support Enforcement Administration	93.563	CSEA/CRA-11-042	10/01/10-09/30/11	297,410
Child Support Enforcement Administration	93.563	CSEA/CRA-10-042	10/01/09-09/30/10	94,678
Child Support Enforcement Administration	93.563	CSEA/CRA-11-012	10/01/10-09/30/11	245,478
Child Support Enforcement Administration	93.563	CSEA/CRA-10-012	10/01/09-09/30/10	83,250
Child Support Enforcement Administration	93.563	CSEA/CRA-11-037	10/01/10-09/30/11	90,567
Child Support Enforcement Administration	93.563	CSEA/CRA-10-037	10/01/09-09/30/10	31,079
Child Support Enforcement Incentive Funds FY 08	93.563	Sheriff's Office	04/07/10-04/06/12	3,193
Child Support Enforcement Incentive Funds FY 07	93.563	Sheriff's Office	08/12/09-08/11/11	4,988
Child Support Enforcement Incentive Funds - Recovery Act ARRA Match	93.563	Sheriff's Office	10/01/08-09/30/10	1,182
Child Support Enforcement Incentive Funds FY 07	93.563	Masters	08/12/09-08/11/11	2,271
Child Support Enforcement Incentive Funds FY 07	93.563	State Attorney Office	08/12/09-08/11/11	1,954
<b>Total U.S. Dept. of Health &amp; Human Services</b>				<b>1,764,016</b>
Centers for Medicare & Medicaid Services				
Pass-through MD Dept. of Aging				
Federal Participation under Title XIX of the SS act	93.779	ST-2217-008	07/01/10-06/30/11	109,080
Health Insurance Assistance/Title XIX SS Act	93.779	ST-2515-008	04/01/10-03/31/11	13,557
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations: MIPPA	93.779	ST-2517-008	06/01/10-05/31/11	3,475
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations: MIPPA	93.779	ST-2510-008	10/01/10-09/30/11	2,047
<b>Total Centers for Medicare &amp; Medicaid Services</b>				<b>128,159</b>

**THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2011**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass - Through Grantor's Number	Grant Period	Federal Expenditures
Department of Homeland Security				
Pass-through MD Emergency Mgmt. Agency				
Interoperable Emergency Communications Grant - FFY2009	97.001	2009-IP-T9-0050 (MEMA Awd# 09-SR 8843-06)	06/01/2009-11/30/2011	1,299
Emergency Mgmt. Performance Grant - FY10	97.042	2010-EP-EO-0041 (MEMAGMS #10-SR- 8843-01)	10/01/09-08/31/11	72,564
Port Security Grant Program	97.056	2007-GB-T7-K312	10/01/07-09/30/10	267,256
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	February 2010 Severe Winter Storm (FEMA-1910- DR-MD) MEMA #PA-03- MD-1910	FY2010	5,802
Homeland Security Grant Program FY10 – SHSG	97.073	2010-SS-TO-0025 (MEMA Awd# 10-SR 8843-03)	08/01/10-04/30/13	100,043
Homeland Security Grant Program FY 09– CCP/CERT	97.067	2009-SS-T9-0080 (MEMA Awd# 09-SR 8843-02)	08/01/09-04/30/12	2,663
Homeland Security Grant Program FY 09 – SHSG	97.067	2009-SS-T9-0080 (MEMA Awd# 09-SR 8843-03)	08/01/09-04/30/12	80,540
Homeland Security Grant Program FY 09 – SHSG Planner	97.067	2009-SS-T9-0080 (MEMA Awd# 09-SR 8843-03)	08/01/09-04/30/12	52,119
Homeland Security Grant Program FY08 – CCP/CERT Mini Grant	97.073	2008-GE-T8-0011	09/01/08-05/31/11	368
Homeland Security Grant Program FY08 – CCP/CERT	97.073	2008-GE-T8-0011	09/01/08-05/31/11	3,011
Homeland Security Grant Program FY08 – SHSG	97.073	2008-GE-T8-0011	09/01/08-05/31/11	4,682
Homeland Security Grant Program FY08 – SHSG Planner	97.073	2008-GE-T8-0011	09/01/08-05/31/11	45,308
<b>Total Department of Homeland Security</b>				<b>635,655</b>
<b>TOTAL</b>				<b>\$ 17,599,278</b>

The accompanying notes are an integral part of the schedule.

**THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2011**

**NOTE 1 – SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133**

All federal awards programs operated by the County Commissioners of Charles County, Maryland are included in the scope of the OMB Circular A-133 audit. Federal awards of the Board of Library Trustees and the Board of Education of Charles County, component units, are not included in the Schedule of Federal Awards. Compliance testing of all applicable compliance requirements, as described in the Office of Management Budget’s Compliance Supplement for A-133, was performed for all major programs.

The U.S. Department of Housing and Urban Development has been designated as the oversight audit agency for the OMB Circular A-133 audit.

**NOTE 2 – FISCAL PERIOD AUDITED**

Single audit testing procedures were performed for transactions occurring during the fiscal year ended June 30, 2011.

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

All Governmental Funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available as net current assets. Grant revenues recorded in Governmental Funds are recognized as revenue in the accounting period during which the expenditure is made.

**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 4 – LOANS OUTSTANDING**

The County administers low-income housing loan programs under the Community Development Block Grant Program. The County had the following loan balances outstanding at June 30, 2011:

<b>Program Title</b>	<b>Federal CFDA #</b>	<b>Amount Outstanding</b>
Community Development Block Grant	14.228	\$ 939,954

**THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2011**

**NOTE 5 – SUBRECIPIENTS**

The County Commissioners of Charles County provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA #</u>	<u>Amount Provided</u>
Emergency Food Assistance Program	10.569	\$ 12,621
Emergency Shelter Grants	14.231	28,520
ARRA Homeless Prevention & Rapid Rehousing	14.257	174,515

This information is an integral part of the accompanying schedule.

**THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2011**

**I. Summary of Independent Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	_____	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	Yes	_____	X	None reported
Noncompliance material to financial statements noted?	_____	Yes	_____	X	No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?	_____	Yes	_____	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	Yes	_____	X	None reported

Type of auditor's 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 Circular A-133?	_____	Yes	_____	X	No
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**Identification of Major Programs**

Name of Federal Program or Cluster	CFDA Number
Homeless Prevention and Rapid Rehousing	14.257
Federal Transit Formula Grants	20.507
Aging Cluster	93.044, 93.045, 93.053, 93.707

Dollar threshold used to distinguish between type A and type B programs \$ 527,978

Auditee qualified as low-risk auditee?	_____	X	Yes	_____	No
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**THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2011**

**II. Financial Statement Findings**

None noted

**III. Federal Award Findings and Questioned Costs**

None noted

**THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND**  
**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**June 30, 2011**

**Finding Reference: 2010-01**

**Federal Agency:** U.S. Department of Transportation  
**Federal Program:** 20.507 – Federal Transit Formula Grants  
**Compliance Requirement:** Allowable Costs/Cost Principles  
**Type of Finding:** Significant Deficiency in Internal Control, Noncompliance

***Condition***

The Department of Community Services (Department) charges salaries and benefits for 5 full-time employees to the Federal Transit program. However, there were no periodic time and effort certifications prepared to reflect after-the-fact distributions of the employee's actual activity on the grant charged during the period under audit. We selected 3 bi-weekly payroll transactions for each of the 5 employees, and noted that the Department did not maintain the required time and effort reports for any of the sampled transactions to support the activities related to the payroll costs charged to the grant. The total payroll costs charged to the Federal Transit program are as follows: Salaries - \$196,494.23 and Fringes - \$66,906.04 for a total of \$263,400.27.

***Management's Response***

In Fiscal Year 2010, all employees in the Transportation Division of Charles County Government (CCG) Department of Community Services worked exclusively on a public transit system which is funded through Federal Transit Administration (FTA) grants as well as through Maryland Transit Administration (MTA) state grants and local funding. Transportation Division employee job descriptions are established solely toward transportation functions and the division's finances are accounted for in a Special Revenue Fund designated strictly for Transportation.

CCG transportation program descriptions are similar and frequently have overlap in services. With this rider-ship dynamic in mind, the Chief of Transportation has prepared an allocation schedule which was reviewed during an FTA/MTA Triennial review completed in December 2009 and was not raised as an issue. OMB Circular A-87 allows for a substitute system for allocating salaries and wages to federal awards in place of activity reports.

However, the County's Department of Community Services, Transportation Division will implement the recommendation for bi-annual certification by employees and therefore has drafted a certification form to be implemented for FY2011.

***Current Year Status***

Resolved. The County's Department of Community Services, Transportation Division has implemented a certification form to document bi-annual certification by employees as required by OMB Circular A-87 for the fiscal year 2011 and all future years.