



**CHARLES COUNTY, MARYLAND**

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

**For the Year Ended June 30, 2012**



**SB & COMPANY, LLC**  
EXPERIENCE • QUALITY • CLIENT SERVICE

**JUNE 30, 2012**

**CONTENTS**

<b>REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS</b>	<b>1</b>
<b>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></b>	<b>3</b>
<b>REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133</b>	<b>5</b>
<b>SUPPLEMENTAL SCHEDULES</b>	
Schedule of Expenditures of Federal Awards	7
Notes to the Schedule of Expenditures of Federal Awards	16
Schedule of Findings and Questioned Costs	18
Schedule of Prior Year Audit Findings and Questioned Costs	20



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## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The County Commissioners of Charles County  
La Plata, Maryland

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 (the County), as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Charles County, Maryland, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We also audited the adjustment described in Note 10 that was applied to restate the statement of net assets as of June 30, 2011. In our opinion, such adjustment is appropriate and has been properly applied.



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In accordance with *Government Auditing Standards*, we have issued our report dated October 29, 2012, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements. The other supplementary information and the Schedule of Expenditures of Federal Awards, required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate 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 financial statements and certain other 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 other supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

*SB & Company, LLC*

Hunt Valley, Maryland  
October 29, 2012



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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 the financial statements of the governmental activities, the business-type activities, the aggregate discreetly presented component units, each major fund, and the aggregate remaining fund information of the County Commissioners of Charles County, Maryland (the County) as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 29, 2012. 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 control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

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



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### **Compliance and Other Matters**

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

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

*SB & Company, LLC*

Hunt Valley, Maryland  
October 29, 2012



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

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 *OMB Circular A-133 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, 2012. The County's major Federal programs are identified in the summary of independent public accountants' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of the Board of Library Trustees for Charles County and the Board of Education of Charles County, component units which received Federal awards and which are not included in the accompanying schedule of expenditures of Federal awards for the year ended June 30, 2012. Our audit described below does not include the operations of the Board of Library Trustees for Charles County and the Board of Education of Charles County because these entities engaged another auditor to perform an audit in accordance with OMB Circular A-133.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2012.



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## **Internal Control over Compliance**

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

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

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

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

*SB & Company, LLC*

Hunt Valley, Maryland  
October 29, 2012

**CHARLES COUNTY, MARYLAND**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Grantor's/Passthrough Number	Grant Period	Federal Expenditures
<b>U.S. Department of Housing &amp; Urban Development</b>				
Section 8 Housing Choice Voucher Program	14.871	MD024VO	07/01/11-06/30/12	\$ 7,128,480
Section 8 Housing Choice Voucher Program	14.871	MD024AF	07/01/11-06/30/12	750,432
Pass-through MD Dept of Housing and Community Development Community Development Block Grant	14.228	MD-11-CD-2	02/07/11-02/29/12	90,000
Emergency Solutions Grant (Previously named Emergency Shelter Grant)	14.231	12ESG09-2011A	10/01/11-09/30/13	24,000
Emergency Solutions Grant (Previously named Emergency Shelter Grant)	14.231	11ESG09	10/01/10-09/30/12	27,440
Homeless Prevention & Rapid Rehousing Program (HPRP) - American Recovery and Reinvestment Act (ARRA)	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	86,226
<b>Total U.S. Department of Housing &amp; Urban Development</b>				<u>8,106,578</u>
<b>Office of National Drug Control Policy</b>				
Pass-through the University of MD High Intensity Drug Trafficking Areas	95.001	Agreement No. I-951402	01/01/10-12/31/10 or until spent	4,345
<b>U.S. Department of Agriculture</b>				
Pass-through MD Dept. of Education Child & Adult Care Food Program	10.558	DCS (341100)	10/01/10-09/30/11	1,109
Child & Adult Care Food Program	10.558	DCS (341100)	10/01/11-09/30/12	2,514
Pass-through MD Dept. of Human Resources Emergency Food Assistance Program (Food Commodities)	10.569	OCGM/FNS 09-009-A1	10/01/08-09/30/11	3,750
Emergency Food Assistance Program (Food Commodities)	10.569	OCGM/FNS 12-009	10/01/11-09/30/14	8,000
<b>Total U.S. Department of Agriculture</b>				<u>15,373</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, 2012**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Grantor's/Pass through Number	Grant Period	Federal Expenditures
<b>U.S. Department of Commerce</b>				
Pass-through U.S. Dept. of Homeland Security through MD Dept. of Natural Resources through MD Emergency Management Agency (MEMA)				
Public Safety Interoperable Communications Grant Program, CCG Project #3153	11.555	Fed Grant Award #:2007-CS-H7-0034 (MEMA #07-SR 8843-16)	04/01/07-06/30/12	\$ 1,845,269
<b>U.S. Department of Defense, Office of Economic Adjustment</b>				
Community Economic Adjustment Planning Assistance for Joint Land Use Studies	12.610	EN0807-09-01	10/01/08-06/30/12	17,814
<b>U.S. Department of Justice</b>				
State Criminal Alien Assistance Program	16.606	2009-AP-BX-0353	Information Period 7/1/2007-6/30/2008 for calculating award	1,465
State Criminal Alien Assistance Program	16.606	2011-AP-BX-0414	Information Period 7/1/2009-6/30/2010 for calculating award	3,253
Bulletproof Vest Partnership - FFY2011 BFVP	16.607	None	04/01/11-8/31/13 or until all available 2011 award funds have been requested.	998
US Marshals Office Joint Law Enforcement Operations	16.Unknown	JLEO-11-0069	10/07/10-09/30/11	712
US Marshals Office Joint Law Enforcement Operations	16.Unknown	JLEO-12-0069	10/04/11-09/30/12	2,980
Organized Crime Drug Enforcement Task Forces Program (OCDEF)	16.Unknown	MA-DC-165	10/01/11-09/30/12	7,056
Regional Fugitive Task Force	16.Unknown	FATF-11-0069	10/01/10-09/30/11	345
Washington Division Office Task Force Group 1 (Group 36)	16.Unknown	None	09/30/09-09/30/11	5,433
Washington Division Office Task Force Group 1 (Group 36)	16.Unknown	None	09/30/11-09/30/12	9,124
The Edward J. Bryne Memorial Justice Assistance Grant: Local Solicitation - CCSO Upgrade and Drug Court Support Program	16.738	2011-DJ-BX-2677	10/01/10-09/30/14	30,106
The Edward J. Bryne Memorial Justice Assistance Grant: Video and Audio Recording	16.738	2008-DJ-BX-0382	10/01/07-09/30/11	15,938
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	1,889

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, 2012**

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's/ Pass through Number</u>	<u>Grant Period</u>	<u>Federal Expenditures</u>
U.S. Department of Justice (continued)				
The Edward J. Byrne Memorial Justice Assistance Grant: Video Conferencing Equipment & Drug Court	16.738	2010-DJ-BX-0225	10/01/09-09/30/13	\$ 551
Byrne- Justice Assistance Grant - Local Solicitation - ARRA of 2009 (Public Law 111-5): Intelligence Specialist Proposal	16.804	2009-SB-B9-0158	03/01/09-02/28/13	86,057
Drug Court Discretionary Grant Program - Family Recovery Court	16.585	2010-DC-BX-0101	10/01/10-09/30/13	97,880
Equitable Sharing Program	16.922	Various	Two years from receipt.	76,022
Pass-through the Governor's Office				
Juvenile Accountability Block Grants	16.523	JABG-2010-1016	07/01/11-09/30/12	18,064
Juvenile Accountability Block Grants	16.523	JINT-2010-1001	07/01/11-09/30/12	9,188
Enforcing Underage Drinking Laws Program	16.727	EUDL-2011-1218	07/01/11-06/30/12	13,635
The Edward J. Byrne Memorial Justice Assistance Grant: Homicide and Crime Scene Management Conference - LETS	16.738	BJNT-2008-1031	07/01/11-09/30/11	1,219
The Edward J. Byrne Memorial Justice Assistance Grant: International Association for Identification Conference - LETS	16.738	BJAG-2009-1064	07/01/11-09/30/11	2,110
The Edward J. Byrne Memorial Justice Assistance Grant: Governor's Criminal Justice Training Conference - LETS	16.738	BJAG-2009-1096	10/01/11-12/30/11	894
The Edward J. Byrne Memorial Justice Assistance Grant: Global Youth Justice Training Conference - LETS	16.738	BJNT-2008-1034	10/01/11-12/31/11	1,770
The Edward J. Byrne Memorial Justice Assistance Grant: Child First Training Seminar - LETS	16.738	BJNT-2008-1037	01/01/12-03/31/12	1,428
The Edward J. Byrne Memorial Justice Assistance Grant: Prosecuting Sexual Assaults - LETS	16.738	BJNT-2009-1040	04/01/12-04/30/12	1,789
Byrne- Justice Assistance Grant - (ARRA) (Public Law 111-5): Juvenile Drug Court	16.803	BJRA-2009-1106	01/01/10-07/31/11	267
Byrne- Justice Assistance Grant - (ARRA) Domestic Violence Coordinator Program	16.803	BJRA-2009-1182	10/01/11-09/30/12	36,126
Byrne- Justice Assistance Grant - (ARRA) Violent Offender Warrant Reduction Program	16.803	BJRA-2009-1020	07/01/09-09/30/11	4,721

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, 2012**

<b>Federal Grantor/Pass Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Grantor's/Passthrough Number</b>	<b>Grant Period</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Justice (continued)</b>				
Pass-through the GOCCP through the MD Attorney General through the Cal Ripken Sr. Foundation The Edward J. Byrne Memorial Justice Assistance Grant (BJAG) - Badges for Baseball	16.803	2011-ST-OAG-B4B- MD-5	04/01/11-11/30/11	\$ 14,991
Pass-through the GOCCP through the Cal Ripken Sr. Foundation Juvenile Mentoring Program - Badges for Baseball	16.726	2012-FED-MSM-B4B- MD-3	10/01/11-10/31/12	9,874
Pass-through County Commissioners for St. Mary's County Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2010-MO-BX-0014	10/01/10-09/30/12	2,435
<b>Total U.S. Department of Justice</b>				<u>458,322</u>
<b>U. S. Department of Transportation</b>				
Pass-through the MD Department of Transportation				
National Motor Carrier Safety Assistance Program (MCSAP)	20.018	MCSAP Program Charles Co. Overtime MD11(002) State Proj. No. AB384ZM1 (CO 494)	10/01/11-09/30/12	7,434
Highway Planning and Construction (ARRA)	20.205	MD11(002) State Proj. No. AB384ZM1 (CO 477)	2012	5,625
Highway Planning and Construction (ARRA)	20.205	Proj #0003(132), State #CH365ZM1	2012	13,384
Highway Planning and Construction (ARRA) - <i>Rosewick Road @ Heritage Green Parkway - Geo. Improvements</i>	20.205	Proj #000A(514), State #CH364ZM1	09/18/09-09/20/13	13,478
Highway Planning and Construction (ARRA) - <i>Various Locations in Charles County - Safety &amp; Resurface</i>	20.205	Proj #8502(004), State #CH366ZM1	09/18/09-09/20/13	20,142
Highway Planning and Construction (ARRA) - <i>Smallwood Drive @ McDaniel Road - Geo Improvements</i>	20.205	Proj #000A 522 State #CH367ZM1	09/18/09-09/20/13	173,401
Highway Planning and Construction (ARRA) - <i>ADA &amp; Safety Improvements various locations in the Town of La Plata</i>	20.205	Proj #000A 525 State#CH353ZM1-68	09/18/09-09/20/13	96,425
Highway Planning and Construction (ARRA) - <i>Sidewalk Replacements in various locations in the Town of Indian Head</i>	20.205		09/18/09-09/20/13	42,963

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, 2012**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Grantor's/Passthrough Number	Grant Period	Federal Expenditures
<b>U. S. Department of Transportation (continued)</b>				
Federal Transit Formula Grants	20.507	MD-90-0101	7/1/05 to 6/30/10 (extension granted)	\$ 9,248
Federal Transit Capital Investment Grants (ARRA)	20.507	MD-96-X001	04/01/09-03/31/12	209,903
Urbanized Area Formula Program - VanGo Capital Grant Agreement	20.507	CH045307C2012	(extension granted) 07/01/11-06/30/15	53,403
Urbanized Area Formula Program - VanGo Urban Transportation - Section 5307	20.507	CH045307O2012, Line Item 30.09.01	07/01/11-06/30/12	1,769,459
Nonurbanized Area Formula Program - VanGo Rural Public Transportation - Section 5311	20.509	CH045311O2012, Line Item 30.09.01	07/01/11-06/30/12	78,423
State and Community Highway Safety Program	20.600	Project 11-314	10/01/10-09/30/11	50,725
State and Community Highway Safety Program	20.600	Project # 12-164 & Project # 12-287	10/01/11-09/30/12	45,643
State and Community Highway Safety Program	20.600	FY11-006	07/12/11-08/31/11	12,806
Pass-through MD Institute for Emergency Medical Services Systems (MIEMSS)				
State and Community Highway Safety Program				
Pass-through MD Emergency Mgmt Agency (MEMA)				
<b>Interagency Hazardous Materials Public Sector Training and Planning Grants</b>				
<b>Total U. S. Department of Transportation</b>	20.703	2011-2012 Hazardous Materials Emergency Preparedness (HMEBP) Program	10/01/11-09/30/12	<u>6,000</u> <u>2,608,461</u>
<b>U.S. Department of Energy</b>				
Energy Efficiency and Conservation Block Grants (EECBG) (ARRA)	81.128	DE-SC0003420	12/21/09-12/20/12	412,188
Pass-through MD Energy Administration (MEA)				
State Energy Program - MEA Windswept Grant (ARRA)	81.041	DE-EE0000097	3/22/11-2/28/12	50,000
Pass-through Coulomb Technologies			45 days from date of delivery	
Conservation Research and Development (ChargePoint America) (ARRA)	81.086	DE-EE00003391		<u>19,500</u> <u>481,688</u>
<b>Total U.S. Department of Energy</b>				

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, 2012**

<b>Federal Grantor/Pass Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Grantor's/ Pass through Number</b>	<b>Grant Period</b>	<b>Federal Expenditures</b>
<b>U.S. Dept. of Health &amp; Human Services</b>				
Pass-through MD Department of Aging				
Title VII: Elder Abuse Prevention/Ombdsman	93.042	AAA-3-24-008	10/01/10-09/30/11	\$ 1,587
Title VII: Elder Abuse Prevention/Ombdsman	93.042	AAA-3-24-008	10/01/11-09/30/12	4,621
Title III, Part D: Prevention Health Services	93.043	AAA-3-24-008	10/01/10-09/30/11	8,325
Title III, Part D: Prevention Health Services	93.043	AAA-3-24-008	10/01/11-09/30/12	675
Supportive Services & Senior Centers	93.044	AAA-3-24-008	10/01/10-09/30/11	28,267
Supportive Services & Senior Centers	93.044	AAA-3-24-008	10/01/11-09/30/12	59,531
Title III Part C: Nutrition Services – C1	93.045	AAA-3-24-008	10/01/10-09/30/11	63,698
Title III Part C: Nutrition Services – C2	93.045	AAA-3-24-008	10/01/10-09/30/11	1,942
Title III Part C: Nutrition Services – C1	93.045	AAA-3-24-008	10/01/11-09/30/12	60,065
Title III Part C: Nutrition Services – C2	93.045	AAA-3-24-008	10/01/11-09/30/12	56,561
Title III, Part E: Nutrition Services Incentive	93.053	ST-2505-008	10/01/11-09/30/12	3,245
Title III, Part E: Nutrition Services Incentive	93.053	ST-2505-008	10/01/11-09/30/12	23,512
Special Programs For the Aging Title IV and Title II Discretionary Projects: Senior Medicare Patrol (SMP)	93.048	ST-2516-037	10/01/10-09/30/11	1,088
Special Programs For the Aging Title IV and Title II Discretionary Projects: Health Care Fraud Program Expansion and SMP Capacity Building Grants	93.048	ST-2514-008	10/01/11-09/30/12	8,461
Special Programs For the Aging Title IV and Title II Discretionary Projects: Patrol (SMP) - Innovation in Aging Expo Senior Medicare	93.048	ST-EXPO-001	05/03/12-05/05/12	185
Title III, Part E: National Family Caregiver Support Program	93.052	AAA-3-24-008	10/01/10-09/30/11	7,603
Title III, Part E: National Family Caregiver Support Program	93.052	AAA-3-24-008	10/01/11-09/30/12	26,685
Affordable Care Act – Aging and Disability Resource Center	93.517	ST-2903-037	07/01/11-06/30/12	136,700
Affordable Care Act – Aging and Disability Resource Center	93.517	ST-EXPO-001	05/03/12-05/05/12	310
Money Follows the Person Rebalancing Demonstration	93.791	M00B9200690-008	07/01/11-02/29/12	3,606
Pass-through State of Maryland, Administrative Office of the Courts State Court Improvement Program	93.586	CIPCW-02	10/01/11-09/30/12	3,200

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, 2012**

<b>Federal Grantor/Pass Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Grantor's/Pass through Number</b>	<b>Grant Period</b>	<b>Federal Expenditures</b>
<b>U.S. Dept. of Health &amp; Human Services (continued)</b>				
Pass-through MD Department of Health and Mental Hygiene pass-through the MD Institute for Emergency Medical Services Systems (MIEMSS)	93.889	BT IX-008	05/14/12-06/30/12	\$ 38,095
National Bioterrorism Hospital Preparedness Program				
Pass-through Charles County Dept. of Social Services	93.556	CHA/FACS/12-011	07/01/11-06/30/12	98,576
Promoting Safe and Stable Families				
Pass-through MD Dept of Human Resources, Child Enforcement Administration				
Child Support Enforcement Administration	93.563	CSEA/CRA-11-042	10/01/10-09/30/11	121,698
Child Support Enforcement Administration	93.563	CSEA/CRA-12-042	10/01/11-09/30/12	291,692
Child Support Enforcement Administration	93.563	CSEA/CRA-11-012	10/01/10-09/30/11	90,953
Child Support Enforcement Administration	93.563	CSEA/CRA-12-012	10/01/11-09/30/12	265,810
Child Support Enforcement Administration	93.563	CSEA/CRA-11-037	10/01/10-09/30/11	31,512
Child Support Enforcement Administration	93.563	CSEA/CRA-12-037	10/01/11-09/30/12	102,214
Child Support Enforcement Incentive Funds FY 08	93.563	Sheriff's Office	04/07/10-04/06/12	4,928
Child Support Enforcement Incentive Funds FY 09	93.563	Sheriff's Office	4/01/11-03/31/13	3,507
Child Support Enforcement Incentive Funds FY 09	93.563	State Attorney Office	4/01/11-03/31/13	1,103
<b>Total U.S. Dept. of Health &amp; Human Services</b>				<b>1,549,954</b>
<b>Centers for Medicare &amp; Medicaid Services</b>				
Pass-through MD Dept. of Aging				
Federal Participation under Title XIX of the SS Act	93.779	ST-2217-008	07/01/11-06/30/12	67,003
Health Insurance Assistance/Title XIX SS Act	93.779	ST-2515-008	04/01/11-03/31/12	13,557
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations				
MIPPA	93.779	ST-2510-008	10/01/10-09/30/11	7,376
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations				
MIPPA	93.779	ST-2510-008	10/01/11-09/30/12	5,144
<b>Total Centers for Medicare &amp; Medicaid Services</b>				<b>93,080</b>

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, 2012**

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's/Pass through Number</u>	<u>Grant Period</u>	<u>Federal Expenditures</u>
Department of Homeland Security Port Security Grant Program	97.056	2010-PU-T0-0064	06/01/10-05/31/13	\$ 156,377
Pass-through MD Emergency Mgmt. Agency				
Interoperable Emergency Communications Grant - FFY2009	97.001	2009-IP-T9-0050 (MEMA # 09-SR 8843-06)	06/01/09-11/30/11 FY2012 or until funding completed	95,743
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA -4034-DR-MD	FY2012 or until funding completed	492,868
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA -4038-DR-MD EMW-2011-EP-00005-S01 (MEMA #11-GA-8843-05)	completed	780,037
Emergency Mgmt. Performance Grant - FY11	97.042	2010-EP-EO-0041 (MEMA #10-SR-8843-01)	10/01/10-07/31/12	53,421
Emergency Mgmt. Performance Grant - FY10	97.042	FEMA Project ID# L-PDM-PL-03-MD-2008-007	10/01/09-08/31/11	14,539
Pre-Disaster Mitigation	97.047	2010-SS-TO-0025 (MEMA # 10-SR 8843-02)	04/30/10-04/30/13	47,762
Homeland Security Grant Program FY10 - CCP/CERT	97.053	2009-PU-T9-K003 (MEMA # 09-SR 8843-08)	08/01/10-04/30/13	423
Port Security Grant Program	97.056	2007-CB-T7-K312 (MEMA # 07-SR 8843-18)	01/19/09-05/31/13	128,592
Port Security Grant Program	97.056		10/01/07-06/30/12	11,999

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, 2012

Federal Grantor/Pass Through Grantor/Program or Cluster Title Department of Homeland Security (continued)	Federal CFDA Number	Grantor's/ Pass through Number	Grant Period	Federal Expenditures
Homeland Security Grant Program FY10 – SHSG	97.073	2010-SS-TO-0025 (MEMA # 10-SR 8843- 03)	08/01/10-04/30/13	\$ 79,047
Homeland Security Grant Program FY10 – SHSG Planner	97.073	2010-SS-TO-0025 (MEMA # 10-SR 8843- 03)	08/01/10-04/30/13	40,958
Homeland Security Grant Program FY 09– CCP/CERT	97.067	2009-SS-T9-0080 (MEMA # 09-SR 8843- 02)	08/01/09-04/30/12	3,770
Homeland Security Grant Program FY 09 – SHSG	97.067	2009-SS-T9-0080 (MEMA # 09-SR 8843- 03)	08/01/09-04/30/12	5,592
Homeland Security Grant Program FY 09 – SHSG Planner	97.067	2009-SS-T9-0080 (MEMA # 09-SR 8843- 03)	08/01/09-04/30/12	53,881
<b>Total Department of Homeland Security</b>				<u>1,965,009</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 17,145,893</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, 2012**

**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 the Office of Management and Budget (OMB) Circular A-133 audit (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Circular A-133 Compliance Supplement. Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the major grant programs noted below. The programs on the schedule of expenditures of Federal awards represent all Federal award programs and other grants with fiscal year 2012 cash or non-cash expenditure activities. For our single audit testing, we tested Federal award programs below with 2012 cash and non-cash expenditures in excess of \$514,377 to ensure coverage of at least 25% of Federally granted funds. Our actual coverage was 66%.

<u>Major Program</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Section 8 Housing Choice Voucher Program	14.871	\$ 7,878,912
Public Safety Interoperable Communications Grant Program, CCG Project #3153	11.555	1,845,269
Energy Efficiency and Conservation Block Grants (EECBG) (ARRA)	81.128	412,188
Child Support Enforcement Administration	93.563	913,417
Port Security Grant Program	97.056	296,968
		<u>\$ 11,346,754</u>

**2. BASIS OF PRESENTATION**

The schedule of expenditures of Federal awards has been accounted for on the accrual basis of accounting.

**3. SUBRECIPIENTS**

The County provided Federal awards to subrecipients as follows:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount Provided</u>
Emergency Food Assistance Program (Food Commodities)	10.569	\$ 11,750
Highway Planning and Construction American Recovery and Reinvestment Act (ARRA) - Town of LaPlata and Town of Indian Head	20.205	139,388
Emergency Solutions Grant (Previously named Emergency Shelter Grant)	14.231	51,440
Homeless Prevention & Rapid Rehousing Program (HPRP) ARRA	14.257	37,589
Community Development Block Grant	14.228	75,000
		<u>\$ 315,167</u>

**CHARLES COUNTY, MARYLAND**

**Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012**

**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, 2012:

<u>Program</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Community Development Block Grant	14.228	\$ 939,954

**CHARLES COUNTY, MARYLAND**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012**

**Section I - Summary of Independent Public Accountants' Results**

**Financial Statements**

Type of Independent Public Accountants' report issued	Unqualified
Internal control over financial reporting:	
Material weakness 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	Unqualified
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 section 510(a) of OMB Circular A-133?	No

**CHARLES COUNTY, MARYLAND**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012**

**Identification of Major Programs:**

<u>Major Program</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Section 8 Housing Choice Voucher Program	14.871	\$ 7,878,912
Public Safety Interoperable Communications Grant Program, CCG Project #3153	11.555	1,845,269
Energy Efficiency and Conservation Block Grants (EECBG) (ARRA)	81.128	412,188
Child Support Enforcement Administration	93.563	913,417
Port Security Grant Program	97.056	296,968
		<u>\$ 11,346,754</u>
Threshold for distinguishing between Type A and B programs		\$514,377
Did the County qualify as a low risk auditee?		Yes

**Section II – Financial Statement Findings**

None noted.

**Section III - Federal Award Findings**

None noted.

**CHARLES COUNTY, MARYLAND**

**Schedule of Prior Year Audit Findings and Questioned Costs  
For the Year Ended June 30, 2012**

No Prior Year Findings.