

CALVERT COUNTY, MARYLAND

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

For the Year Ended June 30, 2018



SB & COMPANY, LLC
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JUNE 30, 2018

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

County Commissioners of Calvert County
Prince Frederick, Maryland

Report on the Financial Statements

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 Calvert County, Maryland (the County), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements.

Management's Responsibility for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Board of Education of Calvert 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 opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows, and the respective budget and actual statements for the general fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Emphasis of Matter

As discussed in Note 13 to the financial statements, during the year ended June 30, 2018, the County adopted new accounting guidance from Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in County's net pension liability and related ratios, the schedules of County contributions, and schedules of investment returns for the Volunteer Fire and Rescue Pension fund, Sheriff's Department Pension Plan and Employees Retirement Plan, the schedules of changes in the County's net OPEB liability and related ratios, employer contributions, and investment returns for the Other Post-Employment Benefits 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.



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 the combining and individual nonmajor funds and other schedules 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 financial statements.

The accompanying combining and individual nonmajor funds and other schedules 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 nonmajor funds and other schedules 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 January 24, 2019, 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 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
January 24, 2019

A handwritten signature in cursive script that reads "S.B. & Company, LLC".



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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***

County Commissioners of Calvert County
Prince Frederick, 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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Calvert County, Maryland (the County) as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 24, 2019. Our report includes a reference to other auditors who audited the financial statements of the Board of Education of Calvert County, Maryland, as described in our report on the County's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

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 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free 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*.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hunt Valley, Maryland
January 24, 2019

A handwritten signature in cursive script that reads "SB & Company, LLC".



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

County Commissioners of Calvert County
Prince Frederick, Maryland

Report on Compliance for Each Major Federal Program

We have audited the compliance of Calvert County, Maryland (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the County's major Federal programs for the year ended June 30, 2018. The County's major Federal program is identified in the summary of independent public accountants' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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.



The County's basic financial statements include the operations of the Board of Education of Calvert County, Maryland, which received Federal awards that are not included in the accompanying Schedule of Expenditures of Federal Awards. Our audit, described below, did not include the operations of these entities because the County engaged other auditors to perform a separate audit in accordance with the Uniform Guidance.

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 on the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our compliance audit, 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 and for each major Federal programs 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.



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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.

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
January 24, 2019

SB & Company, LLC

CALVERT COUNTY, MARYLAND

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

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Award or Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipients
Department of Homeland Security				
Passed through Maryland Emergency Management Agency (MEMA)				
Calvert Cliffs Songbird Lane Acquisition /Demolition	97.039	FEMA DR-4091-MD-0021	\$ 6,912	
Calvert County Elevation Project	97.039	FEMA DR-4091-MD-0026	272,134	
Emergency Management Program Grant	97.042	17EMPG839	84,985	
Total Department of Homeland Security			<u>364,031</u>	
Department of Health & Human Services				
Direct Programs				
Title III E Family Caregivers FFY 17	93.052	AAA-3-24-005	13,052	
Title III E Family Caregivers FFY 18	93.052	18AAMD3FC	19,668	
Title III D Preventive Health & Medicated Mgmt FFY 17	93.043	AAA-3-24-005	3,050	
Title III D Preventive Health & Medicated Mgmt FFY 18	93.043	18AAMD3PH	2,250	
Aging Cluster				
Title III C-2 Meals FFY 17	93.045	AAA-3-24-005	29,781	
Title III C-2 Meals FFY 17 - NSIP	93.053	ST 6505-005	1,099	
Title III C-2 Meals FFY 18	93.045	18AAMD3HD	25,597	
Title III C-2 Meals FFY 18 - NSIP	93.053	18AAMDNSIP	7,911	
Title III C-1 Meals FFY 17	93.045	AAA-3-24-005	20,601	
Title III C-1 Meals FFY 17 - NSIP	93.053	ST 6505-005	1,954	
Title III C-1 Meals FFY 18	93.045	18AAMD3CM	87,560	
Title III C-1 Meals FFY 18 - NSIP	93.053	18AAMDNSIP	13,469	
Title III B Support FFY 17	93.044	AAA-3-24-005	20,073	
Title III B Support FFY 18	93.044	18AAMD3SS	60,707	
OMBUDSMAN FFY16	93.044	AAA-3-24-005	1,639	
Title III G Ombudsman FFY 17	93.044	AAA-3-24-005	2,337	
Total Aging Cluster			<u>272,728</u>	
Passed Through Maryland Department of Aging				
Medicaid Cluster				
Maryland Access Point	93.778	6540	1,498	
Total Medicaid Cluster			<u>1,498</u>	
Medicare Improvements for Patients & Providers Act (MIPPA)	93.071	653717/05, 653817/05	1,751	
State Health Insurance Program	93.324	90SAPG0003-01-00	13,983	
State Health Insurance Program	93.324	90SAPG0003-02-01	1,069	
Senior Medicare Patrol	93.048	90MP0227-01-00	2,250	
Passed Through Maryland Department of Human Resources				
Child Support Enforcement				
Sheriff - Child Support Enforcement FFY 17	93.563	CSEA/CRA-17-038	112,690	
Sheriff - Child Support Enforcement FFY 18	93.563	CSEA/CRA-18-038	380,461	
State's Attorney - Non Support Grant FFY 17	93.563	CSEA/CRA-17-007	77,232	
State's Attorney - Non Support Grant FFY 18	93.563	CSEA/CRA-18-007	235,724	
Domestic Master - Child Support FFY 17	93.563	CSEA/CRA-17-036	23,273	
Domestic Master - Child Support FFY 18	93.563	CSEA/CRA-18-036	70,059	
Total Department of Health & Human Services			<u>1,230,738</u>	
Institute of Museum and Library Services				
Passed Through State Library				
Library Staff Development	45.310	LS0016002116/165753	10,000	
Library Services & Technology ALA Conference Grant	45.310	LS0016002116/171377	8,404	
2017 Innovation Grant	45.310	LS0016002116/171425	14,597	
Passed Through Board Public Library Trustees St. Mary's County				
Library Services & Technology Mobile Hotspots	45.310	LS0017002117/181223	8,333	
Total Institute of Museum and Library Services			<u>41,334</u>	

CALVERT COUNTY, MARYLAND

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

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Award or Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipients
Department of Transportation				
Passed Through Maryland Department of Transportation				
Calvert/St. Mary's Metropolitan Planning Organization	20.505	MD-80-X009	\$ 49,391	
Calvert/St. Mary's Metropolitan Planning Organization	20.505	MD-80-X009	22,793	
Federal Transit Cluster				
Rideshare Assistance	20.507	ZC0207	8,730	
Rural Public Transportation Operation	20.507	CA065307O2018/CA065311O2018	331,999	
Capital Equipment	20.507	CA065339C2018/CA65307C2018	145,350	
Total Federal Transit Cluster			<u>486,079</u>	
Passed Through Maryland Highway Safety Office				
Highway Safety Cluster				
CCSO Highway Safety Grant FFY17	20.600	2017-036	845	
CCSO Highway Safety Grant FFY17	20.616	2017-036	4,660	
CCSO Highway Safety Grant FFY18	20.600	LE 18-224	7,847	
CCSO Highway Safety Grant FFY18	20.600	LE 18-225	2,791	
CCSO Highway Safety Grant FFY18	20.602	LE 18-226	979	
CCSO Highway Safety Grant FFY18	20.616	LE 18-145	12,819	
Total Highway Safety Cluster			<u>29,941</u>	
CCSO Highway Safety Grant FFY17	20.608	2017-036	4,111	
Total Department of Transportation			<u>592,315</u>	
Department of Commerce				
Passed Through Maryland Department of Natural Resources				
CoastSmart communities Initiative Grant	11.419	14-17-2226-CZM-170	26,520	
Total Department of Commerce			<u>26,520</u>	
Department of Housing and Urban Development				
Passed Through Maryland Department of Housing and Community Development				
Emergency Solutions Grant	14.231	16 ESG-03-2015	37,002	\$ 37,002
Emergency Solutions Grant	14.231	17ESG-03-2016	23,836	23,836
CDBG-Entitlement Grant Cluster				
CDBG State 2017	14.218	MD-17-CD-14	40,350	
Total CDBG-Entitlement Grant Cluster			<u>40,350</u>	
Total Department of Housing and Urban Development			<u>101,188</u>	
Department of Interior				
Passed Through Maryland Historical Trust				
CLG Education & Training Grant	15.904		1,496	
Underrepresented Communities Grant	15.904	P16AP00027	16,501	
Total Department of Housing and Urban Development			<u>17,997</u>	
Department of Justice				
Direct Programs				
HIDTA	95.001	I-2017CCSO	5,625	
HIDTA	95.001	I-2018CCSO	3,750	
Bullet Proof Vests Grant FFY16	16.607	OMB 1121-0235	5,203	
COPS Technology Grant - Public Safety	16.710	2010-CK-WX-0028	6,304	
Passed Through Governor's Office of Crime Control & Prevention				
VAWA	16.588	VAWA-2016-0004	12,587	
VAWA	16.588	VAWA-2017-0005/2017-WF-AX-0012	35,928	
Re-Entry Services	16.738	BJAG-2014-0050/2014-MU-BX-1046	2,666	
Cellebrite Mobile Forensic Training-LETS	16.738	BJAG-2014-0042/2014-MU-BX-1046	3,290	
Cellular Technology Certification-LETS	16.738	BJAG-2014-0046/2014-MU-BX-1046	695	
Total Department of Justice			<u>76,048</u>	
Total Expenditures of Federal Awards			<u>\$ 2,450,171</u>	<u>\$ 60,838</u>

CALVERT COUNTY, MARYLAND

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Federal grant operations of Calvert 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. 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 2018 cash or non-cash expenditure activities. For our single audit testing, we tested Federal award programs below with 2018 cash and non-cash expenditures to ensure coverage of at least 20% of Federally granted funds. Our actual coverage was 37%.

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, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or 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 Program</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Child Support Enforcement	93.563	<u>\$ 899,439</u>

2. BASIS OF PRESENTATION

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

CALVERT COUNTY, MARYLAND

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

Section I - Summary of Independent Public Accountants' Results

Financial Statements

Type of Independent Public Accountants' report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified that is not considered to be a material weakness?	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 that is not considered to be a material weakness?	No
Audit findings disclosed that are required to be reported in accordance with section 200.516 of Uniform Guidance?	No

CALVERT COUNTY, MARYLAND

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

Identification of Major Program:

<u>Major Program</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Child Support Enforcement	93.563	\$ 899,439
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

None noted.

CALVERT COUNTY, MARYLAND

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

Finding 2017-001

CFDA Number: 66.468 Safe Drinking Water State Revolving Fund

U.S Environmental Protection Agency

Type of Finding: Compliance Significant Deficiency

Compliance Requirement(s): Reporting

Repeat Finding: No

Condition: The County reports Federal funded activity on the Schedule of Expenditures of Federal Awards. The County did not report Federally funded loan expenditures on the schedule for the Safe Drinking State Revolving Fund.

Auditee's Update - January 2019: Calvert County employees within the Finance & Budget department have received internal and external training and additional managerial levels of review has been implemented. The County has been in contact the granting agency regarding the award. Calvert County considers this finding complete.

Auditor's 2018 Status: Finding is resolved.