

HARFORD COUNTY, MARYLAND
REPORT ON SINGLE AUDIT
YEAR ENDED JUNE 30, 2021



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**HARFORD COUNTY, MARYLAND
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INDEPENDENT AUDITORS' 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*

Honorable Members of the County Council
Harford County, Maryland

We have audited, in accordance with the 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 Harford County, Maryland (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 6, 2021. Our report includes a reference to other auditors who audited the financial statements of Harford County Public Library, and the Harford Center, Inc., as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. This report does not include the results of our testing of internal control over financial reporting or compliance and other matters for Harford County Public Schools and Harford Community College as we have issued separate reports for Harford County Public Schools and Harford Community College. The financial statements of the Harford Center, Inc. were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Harford Center, Inc.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Honorable Members of the County Council
Harford County, Maryland

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

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

CliftonLarsonAllen LLP

Baltimore, Maryland
October 6, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, AND ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Members of the County Council
Harford County, Maryland

Report on Compliance for Each Major Federal Program

We have audited Harford County, Maryland's (the County) compliance with the types of compliance requirements described in the *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, 2021. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of Harford County Public Schools, Harford Community College, Harford County Public Library, and the Harford Center, Inc., discretely presented component units. Federal awards expended by these discretely presented component units are not included in the County's schedule of expenditures of federal awards for the year ended June 30, 2021. Our audit, described below, did not include the operations of these discretely presented component units because these discretely presented component units engaged other auditors to perform an audit of compliance.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, described in the accompanying

Honorable Members of the County Council
Harford County, Maryland

schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information of the County, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated February 15, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Baltimore, Maryland
February 15, 2022

HARFORD COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Department of Commerce				
Coastal Zone Management Estuarine Research Reserves	11.420			
Passed Through Maryland Department of Natural Resources		14-18-2339 CBR 126, 14-20-2176 CBR 096, 14-21-2864 CBR 197	\$ 49,983	\$ -
Total Department of Commerce			49,983	-
Department of Defense				
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610	EN1324-18-04	1,627	-
Total Department of Defense			1,627	-
Department of Housing and Urban Development				
Housing Counseling Assistance Program	14.169	HC190321058, FR-63000-N-33	52,986	-
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218	B-16-UC-24-0013, B17UC240013	943,701	-
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	B-19-UC-24-0013	772,927	-
Total Community Development Block Grants/Entitlement Grants	14.218		1,716,628	-
<i>Total CDBG - Entitlement Grants Cluster</i>			1,716,628	-
Emergency Solutions Grant Program	14.231	EMW-2017-SS-00019-S01	(3)	-
Home Investment Partnerships Program	14.239	M19-UC240202, M16- UC240202, M17UC240202, B6 8/1 0205	313,727	-
Housing Opportunities for Persons with AIDS	14.241	38526-Harford County	84,329	-
Continuum of Care Program	14.267	MD0334L3B021601	21	-
<i>Housing Voucher Cluster</i>				
Section 8 Housing Choice Vouchers	14.871	MD025	9,397,795	-
Mainstream Vouchers	14.879	MD025	592,128	-
<i>Total Housing Voucher Cluster</i>			9,989,923	-
Family Self-Sufficiency Program	14.896	FR-6300-N-04, FSS21MD4115	24,254	-
COVID-19 - HCV-CARES ACT Administrative Fees	14.999	MD025	389	-
Total Department of Housing and Urban Development			12,182,254	-
Department of Justice				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034			
Passed Through Governor's Office of Crime Control & Prevention		2020-VD-BX-0992	97,429	-
Crime Victim Assistance	16.575			
Passed Through Governor's Office of Crime Control & Prevention		VOCA-2018-0127, 2019-V2-GX-0064	69,773	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-MU-BX-0441, 2020- DJ-BX-0328, 2017-DJ-BX- 0219	28,450	-
Equitable Sharing Program	16.922		83,112	-
Total Department of Justice			278,764	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HARFORD COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Department of Labor				
<i>WIOA Cluster</i>				
WIOA Adult Program	17.258			
Passed Through Maryland Department of Labor		P06-SQ-PY20-A, P16-SQ-PY20-A, P-16-SWN-FY21-A	\$ 892,039	\$ 892,039
WIOA Youth Activities	17.259			
Passed Through Maryland Department of Labor		P00P94-SQ-PY18-Y, P06-SQ-PY19-Y	385,026	385,026
WIOA Dislocated Worker Formula Grants	17.278			
Passed Through Maryland Department of Labor		P06-SQ-PY20-D, P16-SQ-PY20-D, P-16-SWN-FY21-D	714,412	714,412
<i>Total WIOA Cluster</i>			<u>1,991,477</u>	<u>1,991,477</u>
Total Department of Labor			<u>1,991,477</u>	<u>1,991,477</u>
Department of Transportation				
<i>Highway Planning and Construction Cluster</i>				
Highway Planning and Construction	20.205			
Passed Through Maryland Department of Transportation, State Highway Administration		BCS 2014-OH, HA395ZM1, HA395CM1, HA398ZM1, HA415ZM1, HA415M21, HA415ZM2, HA410M21 HA410ZM2, HA443M21, HA994B21, HA082B21, HA321B52	2,619,301	-
<i>Total Highway Planning and Construction Cluster</i>			<u>2,619,301</u>	<u>-</u>
Motor Carrier Safety Assistance	20.218			
Passed Through Maryland Department of Transportation, State Highway Administration		HCSO-MHSO-CMV-2020	17,213	-
<i>Federal Transit Cluster</i>				
Federal Transit Capital Investment Grants	20.500			
Passed Through Maryland Transportation Authority		HA01530702016, HA015339C2016	313,094	-
COVID-19 - Federal Transit Formula Grants	20.507			
Passed Through Maryland Transportation Authority		HA01CARES2020	466,657	-
Federal Transit Formula Grants	20.507			
Passed Through Maryland Transportation Authority		HA01530702018, HA01530702021, HA015307C2019, HA015307C2018,	2,957,533	-
<i>Total Federal Transit Formula Grants</i>			<u>3,424,190</u>	<u>-</u>
<i>Total Federal Transit Cluster</i>			<u>3,737,284</u>	<u>-</u>
Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research	20.505			
Passed Through Baltimore Metropolitan Council		FY2021UPWP	38,421	-
<i>Highway Safety Cluster</i>				
State and Community Highway Safety	20.600			
Passed Through Maryland Department of Transportation, Motor Vehicle Administration		FA 402, FA 405d AL	81,479	-
<i>Total Highway Safety Cluster</i>			<u>81,479</u>	<u>-</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HARFORD COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Department of Transportation (continued)				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703			
Passed Through Maryland Emergency Management Agency		693JK31940020HMEP	\$ 4,692	\$ -
Total Department of Transportation			6,498,390	-
Department of the Treasury				
COVID-19 - Coronavirus Relief Fund	21.019			
Passed Through Maryland Department of Budget and Management		20-1892-0-1-806	35,498,320	2,100,000
COVID-19 - Coronavirus State and local Fiscal Recovery Funds	21.027	SLFRP0316	275,391	-
Total Department of the Treasury			35,773,711	2,100,000
Department of Health and Human Services				
Special Programs for the Aging, Title VII, Long Term Care Ombudsman Services for Older Individuals	93.042			
Passed Through Maryland Department of Aging			23,002	-
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043			
Passed Through Maryland Department of Aging		650618/11	765	-
<i>Aging Cluster</i>				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044			
Passed Through Maryland Department of Aging		655221/11, 650718, 112001OMC3	226,751	-
COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044			
Passed Through Maryland Department of Aging		2001MDSSC3-00	200,204	-
Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044		426,955	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045			
Passed Through Maryland Department of Aging		655121/11	375,456	-
COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045			
Passed Through Maryland Department of Aging		2001MDHDC3-00	74,717	-
Total Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045		450,173	-
<i>Total Aging Cluster</i>			877,128	-
Special Programs for the Aging, Title IV and Title II, Discretionary Projects	93.048			
Passed Through Maryland Department of Aging		90MP0227-01-00	6,306	-
National Family Caregiver Support, Title III, Part E	93.052			
Passed Through Maryland Department of Aging		75-0142-0-1-506	101,864	-
COVID-19 - National Family Caregiver Support, Title III, Part E	93.052			
Passed Through Maryland Department of Aging		2001MDFCC3-00	34,562	-
Total National Family Caregiver Support, Title III, Part E	93.052		136,426	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HARFORD COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Department of Health and Human Services (continued)				
Medicare Enrollment Assistance Program	93.071			
Passed Through Maryland Department of Aging		APD-20-22-CCS-MIPPA Grant GY 2020-2021	\$ 12,076	\$ -
State Health Insurance Assistance Program	93.324			
Passed Through Maryland Department of Aging		APD-21-01-CCS	16,499	-
Child Support Enforcement	93.563			
Passed Through Maryland Department of Human Services		CSEA/CRA-21-046, CSEA/CRA-20-016, CSA/CRA/20-046	377,140	-
Grants to States for Access and Visitation Programs	93.597			
Passed Through Maryland Department of Human Services		CSEA/AV/16-003 A1	25,651	-
Children's Justice Grants to States	93.643			
Passed Through Governor's Office of Crime Control & Prevention		G1901MDCJA1, CJAC-2018-0018, 2002MDCJA1	12,834	-
<i>Medicaid Cluster</i>				
Medical Assistance Program	93.778			
Passed Through Maryland Department of Aging		75-0142-01-506	18,918	-
<i>Total Medicaid Cluster</i>			<u>18,918</u>	<u>-</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959			
Passed Through Maryland Department of Health		TI010024	200,574	-
Total Department of Health and Human Services			<u>1,707,319</u>	<u>-</u>
Executive Office of the President				
High Intensity Drug Trafficking Areas Program	95.001			
		G21WB0004A, G20WB0004A	30,672	-
Total Executive Office of the President			<u>30,672</u>	<u>-</u>
Department of Homeland Security				
Non-Profit Security Program	97.008			
Passed Through Maryland Emergency Management Agency		18UASI849, EMW-2018-SS- 00023-UASI, DHS-18-GPD-067-00-01	105,006	-
Emergency Management Performance Grants	97.042			
Passed Through Maryland Emergency Management Agency		EMW-2019-EP-00004-S01, EMP-2020-EP-00002-S01	118,740	-
Homeland Security Grant Program	97.067			
Passed Through Maryland Emergency Management Agency		EMW-2019-SS- 00054UASI, EMW-2019- SS-00064SHSP, EMW- 2020-SS-00010-UASI, EMW-2020-SS-00010- SHSP, EMW-2018-SS- 00023SHSP, EMW-2018- SS-00023-UASI	559,491	-
Total Department of Homeland Security			<u>783,237</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 59,297,434</u>	<u>\$ 4,091,477</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HARFORD COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Harford County, Maryland (the County) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing Number (ALN) 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COSTS

The County did not elect to use the 10% de minimis cost rate for indirect costs.

NOTE 4 LOAN PROGRAM

The County has a loan program to provide low-interest loans to businesses for housing for low to moderate income persons. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the County. The Schedule reports loans made and administrative costs as disbursements on the Schedule, as management has determined that the loans do not have continuing compliance requirements. The loans were disbursed under ALN 14.218 and the outstanding loan balance as of June 30, 2021 was \$1,009,130.

**HARFORD COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

ALN Number(s)

21.019
20.500/20.507

Name of Federal Program or Cluster

Coronavirus Relief Fund
Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,778,923

Auditee qualified as low-risk auditee?

 x yes _____ no

**HARFORD COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2021**

Section II – Financial Statement Findings

None noted.

Section III – Findings and Questioned Costs – Major Federal Programs

2021 – 001

Federal agency: U.S. Department of Treasury

Federal program title: Coronavirus Relief Fund (CRF)

ALN Number: 21.019

Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Award Period: March 1, 2020 – December 31, 2021

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matter

Criteria or specific requirement: 2 CFR section 200.303 requires that non-federal entities receiving federal awards establish and maintain internal control over the federal awards that provides reasonable assurance that the non-federal entity is managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards.

Per guidance from the CARES Act, State, territorial, tribal, and eligible local governments are required to use payments from the Fund to cover (1) Necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); (2) Costs that were not accounted for in the governments' most recently approved budget as of March 27, 2020; and (3) Costs that were incurred during the period that begins on March 1, 2020; and ends on December 31, 2021.

Governments otherwise have broad discretion to utilize payments for expenditures ranging from COVID-19 testing including, but not limited to, reimbursing small businesses for the costs of business interruption caused by required closures.

Questioned Costs: \$4,713.46

Condition/Context: One out of nine reimbursement-based beneficiaries tested was overpaid by \$4,713.46 due to an error made in calculating the total reimbursement due by the County.

Cause: The County did not have sufficient internal controls in place to adequately review amounts to be reimbursed prior to reimbursement.

Effect: The County reimbursed a program beneficiary more than the amount of support for reimbursement the beneficiary had provided.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the County strengthen and enforce its internal controls to ensure the appropriate amount is reimbursed to program beneficiaries.

Views of responsible officials: Management agrees with the finding.

HARFORD COUNTY, MARYLAND
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

No prior year findings related to federal awards.



**HARFORD COUNTY, MARYLAND
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2021**

Harford County, Maryland respectfully submits the following corrective action plan for the year ended June 30, 2021.

Audit period: July 1, 2020 – June 30, 2021

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

None were reported.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. DEPARTMENT OF TREASURY

2021-001 Coronavirus Relief Fund – Assistance Listing No. 21.019

Recommendation: We recommend the County strengthen and enforce its internal controls to ensure the appropriate amount is reimbursed to program beneficiaries.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The error occurred because the calculation for reimbursements was done incorrectly at the initiator level. The person inputting the reimbursement used the total price to multiply by quantity instead of the unit price to enter the document into the financial system. This made the reimbursement overstated by \$4,713.46.

Harford County, MD has had a workshop with its Accounts Payable staff to recalculate any supporting documents that have been submitted for reimbursements. The error, once brought to our attention, was corrected by requesting the overpaid entity to refund the amount. The entity refunded the over payment and the Grant expenditures have been corrected.

Name(s) of the contact person(s) responsible for corrective action: Rick Pernas

Planned completion date for corrective action plan: January 1, 2022

If the Department of the Treasury (Treasury) Office of Inspector General (OIG) has questions regarding this plan, please call Rick Pernas at 410-638-3416.