



ANNUAL FINANCIAL REPORT
(SINGLE AUDIT)

HOWARD COUNTY, MARYLAND

JUNE 30, 2008

Howard County, Maryland

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Members of the County Council
Howard County, Maryland

Compliance

We have audited the compliance of Howard County, Maryland with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. Howard County, Maryland's major federal programs are identified in the summary of auditors' results section in 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 Howard County, Maryland's management. Our responsibility is to express an opinion on Howard County, Maryland's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Howard County, Maryland'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 on Howard County, Maryland's compliance with those requirements.

In our opinion, Howard County, Maryland complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

The financial statements have been re-issued to reflect that Howard County, Maryland was determined to be a low-risk auditee as reported in the Summary of Audit Results item 9 on the Schedule of Findings and Questioned Costs.

Internal Control Over Compliance

The management of Howard County, Maryland, 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 Howard County, Maryland'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, 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 Howard County, Maryland's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal Awards

We 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 Howard County, Maryland (the County) as of and for the year ended June 30, 2008, which collectively comprise the County's basic statements, and have issued our report thereon dated December 3, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the

County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the County, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Baltimore, Maryland
February 4, 2009

Howard County, Maryland

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2008

Federal Program	Federal Catalog Number	Contract/Grant Number	Federal Expenditures
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION			
Fair Employment Practices Agency Contracts	30.002	7FLSLP0067	\$ 37,713
Total Equal Employment Opportunity Commission			<u>37,713</u>
U.S. DEPARTMENT OF AGRICULTURE			
Cooperative Forestry Assistance	10.664	01-DG-11244225-243	1,525
Pass-through Maryland Department of Aging Commodity Supplemental Food Program	10.565	AAA-012	41,837
Pass-through Maryland Department of Human Resources Emergency Food Assistance Program	10.568	CSA/FNS 03-014	<u>1,535</u>
Total U.S. Department of Agriculture			<u>44,897</u>
U.S. DEPT OF DEFENSE, OFFICE OF ECONOMIC ADJUSTMENT			
Pass-through Anne Arundel County, Maryland Community Economic Adjustment Planning Assistance	12.607	RA0622-07-01	<u>165,917</u>
Total U.S. Dept of Defense, Office of Economic Adjustment			<u>165,917</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass-through Maryland Department of Human Resources Child Support Enforcement	93.563	CSEA/CR-05-050	63,452
Foster Care Title IV E	93.658	None	55,000
Pass-through Maryland Department of Aging Special Programs For The Aging Title VII, Chapter 3	93.041	3-24-AAA-012	5,877
Special Programs For The Aging Title III, Part D	93.043	AAA-ST-2528-012	32,136
Special Programs For The Aging Title III, Part B	93.044	3-24-AAA-012	123,459
Special Programs For The Aging Title III, Part C	93.045	3-24-AAA-012	243,615
National Family Caregiver Support Title III, Part E	93.052	3-24-AAA-012	56,283
Chronic Disease Self-Management Program	93.068	AAA-ST-2528-004	5,224
Chronic Disease Self-Management Program	93.068	AAA-ST-2528-012	37,292
Medical Assistance Program	93.778	ST-2222-012	19,705
Pass-through Maryland Institute for Emergency Medical Services Systems National Bioterrorism Hospital Preparedness Program	93.889	None	<u>21,598</u>
Total U.S. Department of Health and Human Services			<u>663,641</u>

(continued)

Howard County, Maryland

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

June 30, 2008

Federal Program	Federal Catalog Number	Contract/Grant Number	Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY			
Pass-through Maryland Emergency Management			
Hazardous Materials Training Program	97.020	None	8,217
Emergency Management Performance Grant	97.042	2008-EM-E8-0045	47,535
Homeland Security Grant Program	97.067	None	<u>370,651</u>
Total U.S. Department of Homeland Security			<u>426,403</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grant	14.218	B05UC24-0012	2,227,311
Supportive Housing Program	14.235	MD06B604-001	291,191
Supportive Housing Program	14.235	MD06B604-002	123,488
Supportive Housing Program	14.235	MD06B604-003	71,770
HOME Investment Partnerships Program	14.239	M05UC24-0203	151,388
Pass-through Maryland Housing and Community Development			
Emergency Shelter Grant Program	14.231	2007-ESG-BOS-11	<u>35,936</u>
Total U.S. Department of Housing and Urban Development			<u>2,901,084</u>
U.S. DEPARTMENT OF JUSTICE			
Asset Forfeiture/Equitable Sharing Program	16.000	None	101,460
Violence Against Women	16.588	2006-WE-AX-0062	237,372
Local Law Enforcement Block Grant Program	16.592	2004-LBBX-0070	21,639
"COPS" Technology Grant	16.710	2005-CKWX-0271	21,087
Anti-Gang Initiative	16.744	MD-G-37-1494	27,217
Pass-through Governor's Office of Crime Control and Prevention			
Violence Against Women	16.588	VAWA-2007-1031	42,459
Pass-through Maryland Department of Human Resources			
Crime Victim Assistance	16.575	CSA/CVA 07-002	39,552
Crime Victim Assistance	16.575	CSA/CAC-06-011	<u>25,481</u>
Total U.S. Department of Justice			<u>516,267</u>

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Howard County, Maryland

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

June 30, 2008

Federal Program	Federal Catalog Number	Contract/Grant Number	Federal Expenditures
U.S. DEPARTMENT OF LABOR			
Pass-through Maryland Department of Labor, Licensing and Regulation			
Trade Adjustment Assistance	17.245	P00B6200166	29,381
Workforce Investment Act - Adult Program	17.258	P00B7200008	33,906
Workforce Investment Act - Adult Program	17.258	P00B8200029	642,641
Workforce Investment Act - Youth Activities	17.259	P00B7200008	26,909
Workforce Investment Act - Youth Activities	17.259	P00B8200029	30,231
Workforce Investment Act - Dislocated Workers	17.260	P00B5200105	62,005
Workforce Investment Act - Dislocated Workers	17.260	P00B7200008	193,735
Workforce Investment Act - Dislocated Workers	17.260	P00B7200044	23,299
Workforce Investment Act - Dislocated Workers	17.260	P00B8200087	28,349
			1,070,456
Total U.S. Department of Labor			
U.S. DEPARTMENT OF TRANSPORTATION			
Pass-through Maryland Department of Transportation			
Highway Planning & Construction	20.205	UPWP-MOU	119,296
Transit Formula Grant	20.507	MD-90-9085	122,438
Grants For Other Than Urbanized Areas	20.509	MD-18-4023/4025	71,069
Job Access Reverse Commute	20.516	JARC-4008-05	127,869
			440,672
Total U.S. Department of Transportation			
			\$ 6,267,050

See notes to schedule of expenditures of federal awards

Howard County, Maryland

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2008

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

All federal financial assistance programs operated by Howard County, Maryland, are included in the scope of the OMB Circular A-133 audit. This Single Audit was conducted in accordance with the provisions of the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Compliance testing of all specific requirements, as described in the Compliance Supplement was performed. Compliance testing of specific requirements was performed for the following major federal financial assistance program. These programs covered 30% of total federal financial assistance program expenditures.

Grant Description	CFDA Number	Fiscal Year 2008 Expenditures
US Department of Housing and Urban Development - Supportive Housing Program	14.235	\$ 486,449
US Department of Labor - Workforce Investment	17.258; 17.259 & 17.260	1,041,075
US Department of Health and Human Services - Special Programs for the Aging Title III (Cluster)	93.044 & 93.045	<u>367,074</u>
		<u>\$ 1,894,598</u>

NOTE 2 - FISCAL PERIOD AUDITED

Single Audit testing procedures were performed for program transactions occurring during the fiscal year ended June 30, 2008.

Howard County, Maryland

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2008

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Howard County, Maryland.
2. No significant deficiencies were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Howard County, Maryland, were disclosed during the audit.
4. No significant deficiencies were identified during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for Howard County, Maryland, expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Howard County, Maryland.
7. The programs tested as major programs include: (See note 1 to Schedule of Expenditures of Federal Awards).
8. The threshold for distinguishing type A and B programs was \$300,000.
9. Howard County, Maryland was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE