

COMMISSIONERS OF ST. MARY'S COUNTY

**Schedule of Expenditures of Federal Awards Together with
Reports of Independent Public Accountants**

For the Year Ended June 30, 2023

COMMISSIONERS OF ST. MARY’S COUNTY

**Schedule of Expenditures of Federal Awards Together with
Reports of Independent Public Accountants**

JUNE 30, 2023

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

Commissioners of St. Mary's County

Opinions

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 Commissioners of St. Mary's County (the County) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements.

In our opinion, the basic 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit 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 County's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal controls-related matters that we identified during the audit.



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information 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 management's discussion and analysis, required supplementary information, and budget and actual schedules as listed in the table of contents, 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.

Supplementary 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 combining and individual fund statements, budget and actual schedules, schedule of unexpended appropriations for capital projects, and schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budget and actual schedules, schedule of unexpended appropriations for capital projects, and 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 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 combining and individual fund statements, budget and actual schedules, schedule of unexpended appropriations for capital projects, and schedule of expenditures of Federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023 on our consideration of the County's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal controls 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 controls over financial reporting and compliance.

Owings Mills, Maryland
November 27, 2023

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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Commissioners of St. Mary's County

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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Commissioners of St. Mary's County (the County) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 27, 2023.

Report on Internal Controls over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal controls over financial reporting (internal controls) 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 controls. Accordingly, we do not express an opinion on the effectiveness of the County's internal controls.

A *deficiency in internal controls* 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 controls, 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 controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls 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 controls 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 controls over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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Report on 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 controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal controls 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 controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Owings Mills, Maryland
November 27, 2023

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

Commissioners of St. Mary's County

Report on Compliance for Each Major Federal Program

We have audited Commissioners of St. Mary's County's (the County) compliance with the types of compliance requirements identified as subject to audit 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, 2023. The County's major Federal programs are identified in the summary of independent public accountant's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major Federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's Federal programs.



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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal controls over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal controls over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal controls over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal controls over compliance that we identified during the audit.

Report on Internal Controls over Compliance

A deficiency in internal controls 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 controls over compliance* is a deficiency, or combination of deficiencies in internal



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controls 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 controls over compliance* is a deficiency, or a combination of deficiencies, in internal controls over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal controls over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal controls over compliance that might be material weaknesses or significant deficiencies in internal controls over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal controls over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal controls over compliance is solely to describe the scope of our testing of internal controls 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.

Owings Mills, Maryland
March 15, 2024

COMMISSIONERS OF ST. MARY’S COUNTY

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Department of Defense				
Community Investment - Retrofit Sidewalk	12.600	N/A	\$ 151,504	\$ -
Community Economic Adjustment Assistance for Establishment or Expansion of a Military Installation	12.618	N/A	119,317	-
Total Department of Defense			<u>270,821</u>	<u>-</u>
Department of Housing and Urban Development				
Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii - Covid-19	14.228	CV-2-15	335,719	-
Total Department of Housing and Urban Development			<u>335,719</u>	<u>-</u>
Department of the Interior				
<u>Pass through the Maryland Department of Natural Resources</u>				
Coastal Wetlands Planning, Protection and Restoration Program	15.614	N/A	822,940	-
Total Department of the Interior			<u>822,940</u>	<u>-</u>
Department of Justice				
Coronavirus Emergency Supplemental Funding - COVID-19	16.034	DOJ,OJP,BJA FY20	33,852	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BJAG-2020-0020	30,000	-
	16.738	G22WB0004A	7,500	-
	16.738	15PBJA-21-GG-01561-JAGX	22,088	-
	16.738	O-BJA-2022-171368	17,792	-
Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	15PBJA-21-GG-04572-COAP/F121N	47,557	-
Equitable Sharing Program	16.922	Unknown	60,231	-
Total Department of Justice			<u>219,020</u>	<u>-</u>
Department of Transportation				
<u>Pass through the Maryland Department of Transportation.</u>				
<u>Maryland Aviation Administration</u>				
Airport Improvement Program	20.106	3-24-0022-027-2019; 24-0022-029-2020	1,840,088	-
Highway Planning and Construction	20.205	N/A	637,494	-
<u>Pass through the Maryland Department of Transportation.</u>				
<u>Maryland Transit Administration</u>				
<i>Federal Transit Cluster</i>				
Federal Transit-Formula Grants	20.507	SM215307O2022	1,201	-
	20.507	SM215307O2023	681,910	-
<i>Total Federal Transit Cluster</i>			<u>683,111</u>	<u>-</u>

The accompanying notes are an integral part of this schedule.

COMMISSIONERS OF ST. MARY’S COUNTY

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Department of Transportation (continued)				
Formula Grants for Rural Areas	20.509	SM21CARES0702020	\$ 575,046	\$ -
	20.509	SM215307C2021	60,284	-
	20.509	SM215311C2021	41,892	-
	20.509	SM215311O2022	835	-
	20.509	SM215307C2023	5,254	-
	20.509	SM215311C2023	3,651	-
	20.509	SM215311O2023	897,766	-
	20.509	Unknown	268,778	-
<u>Pass through the Maryland Department of Transportation.</u>				
<u>Maryland State Highway Administration</u>				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated <i>Highway Safety Cluster</i>	20.608	LE-St. Mary's Co Sheriff-2022-125	1,400	-
State and Community Highway Safety	20.600	LE-St. Mary's Co Sheriff-2022-126	2,785	-
	20.600	LE-St. Mary's Co. Sheriff-2023-054	7,134	-
National Priority Safety Programs	20.616	LE 21-066	3,056	-
	20.616	LE 21-039	1,750	-
	20.616	LE 21-067	500	-
	20.616	GNSMCHHealthDept2022-303 F105N	972	-
	20.616	LE-St. Mary's Co Sheriff-2022-096	4,352	-
	20.616	LE-St. Mary's Co. Sheriff-2023-054	8,143	-
<i>Total Highway Safety Cluster</i>			28,692	-
Total Department of Transportation			5,044,291	-
Department of Treasury				
<u>Pass through the Maryland Department of Public Health</u>				
Coronavirus Relief Fund - COVID-19	21.019	Unknown	52,406	-
Coronavirus State and Local Fiscal Recovery Fund - COVID-19	21.027	Unknown	5,168,667	-
Total Department of Treasury			5,221,073	-
Federal Communications Commission				
Emergency Connectivity Fund Program	32.009	Unknown	23,453	-
Total Federal Communications Commission			23,453	-
Department of Health and Human Services				
<u>Pass through the Maryland Department of Health and Human Services</u>				
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AAA-017	1,722	-

The accompanying notes are an integral part of this schedule.

COMMISSIONERS OF ST. MARY’S COUNTY

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
Department of Health and Human Services (continued)				
<u>Pass through the Maryland Department of Health and Human Services (continued)</u>				
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	AAA-017	\$ 590	\$ -
	93.043	Unknown	13,891	-
<i>Aging Cluster</i>				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AAA-017	1,480	-
	93.044	Unknown	31,787	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AAA-017	(4,303)	-
	93.045	Unknown	250,843	-
Nutrition Services Incentive Program	93.053	Unknown	<u>107,371</u>	<u>-</u>
<i>Total Aging Cluster</i>			<u>387,178</u>	<u>-</u>
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	Unknown	4,178	-
National Family Caregiver Support, Title III, Part E	93.052	Unknown	77,030	-
	93.052	AAA-017	23,940	-
Medicare Enrollment Assistance Program	93.071	Unknown	1,063	-
State Health Insurance Assistance Program	93.324	Unknown	10,391	-
Projects for Assistance in Transition from Homelessness (PATH)	93.150	MH592OTH Contract 22-1104	30,190	-
	93.150	MH592OTH/F823NContract 23-1104	30,190	-
<u>Pass through the Maryland Department of Human Resources</u>				
Child Support Enforcement	93.563	CSEA/CRA/18-022	142,393	-
	93.563	CSA/CRA-20-040-A1	2,420	-
	93.563	CSA/CRA-22-022	163,615	-
	93.563	CSA/CRA-22-040	2,738	-
	93.563	CSA/CRA-23-022	631,900	-
	93.563	CSA/CRA-23-040	10,359	-
<i>Medicaid Cluster</i>				
Medical Assistance Program	93.778	Unknown	<u>118,304</u>	<u>-</u>
<i>Total Medicaid Cluster</i>			118,304	-
Opioid STR	93.788	BH240SUP	28,304	-
	93.788	BH261SOR/22-1124	136,898	-
	93.788	BA21SOR/F787N	<u>45,579</u>	<u>-</u>
Total Department of Health and Human Services			<u>1,862,873</u>	<u>-</u>

The accompanying notes are an integral part of this schedule.

COMMISSIONERS OF ST. MARY’S COUNTY

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Corporation for National and Community Service				
AmeriCorps Seniors Retired and Senior Volunteer Program	94.002	N/A	\$ 88,500	\$ -
Total Corporation for National and Community Service			<u>88,500</u>	<u>-</u>
Executive Office of the President				
High Intensity Drug Trafficking Areas Program	95.001	G21WB0004A	3,750	-
	95.001	G23WB0004A	4,350	-
Total Executive Office of the President			<u>8,100</u>	<u>-</u>
Department of Homeland Security				
Disaster Grants-Public Assistance-Isaias TS	97.036	N/A	443,283	-
<u>Pass through the Maryland Emergency Management Agency</u>				
Emergency Management Performance Grants	97.042	Unknown	27,238	-
Homeland Security Grant Program	97.067	EMW-2020-SS-00010 SHSP	33,629	-
	97.067	Unknown	144,844	-
Total Department of Homeland Security			<u>648,994</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 14,545,784</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

COMMISSIONERS OF ST. MARY’S COUNTY

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Federal grant operations of the Commissioners of St. Mary’s County (the County) are included in the scope of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Single Audit or Uniform Guidance). The Single Audit was performed in accordance with the provisions of the Office of Management and Budget (OMB) Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the major grant program noted below. The programs on the accompanying schedule of expenditures of Federal awards represent all Federal award programs and other grants with fiscal year 2023 cash or non-cash expenditure activities. For our Single Audit testing, we tested the Federal award program with 2023 cash and non-cash expenditures to ensure coverage of at least 20% of Federally granted funds. Actual coverage was 36%.

Identification of major program:

<u>Major Program</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Expenditures</u>
Coronavirus State and Local Fiscal Recovery Fund - COVID-19	21.027	<u>\$ 5,168,667</u>

Expenditures reported on the schedule of expenditures of Federal awards (the Schedule) are recognized following the cost principles contained in the Uniform Guidance, 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 allowed under the Uniform Guidance.

2. BASIS OF PRESENTATION

The accompanying Schedule includes the Federal award activity of the County and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of the cost principles contained in the Uniform Guidance.

COMMISSIONERS OF ST. MARY’S COUNTY

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section I - Summary of Independent Public Accountants’ Results

Financial Statements

Type of Independent Public Accountant' report issued:	Unmodified
Internal controls over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies)?	None Reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Type of Independent Public Accountant' report issued on compliance for major programs	Unmodified
Internal controls over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies)?	None Reported
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of Uniform Guidance?	No

Major Program	Federal Assistance Listing Number	Federal Expenditures
Coronavirus State and Local Fiscal Recovery Fund - COVID-19	21.027	\$ 5,168,667
Threshold for distinguishing between Type A and B programs		\$ 750,000
Does the County qualify as a low risk auditee?		Yes

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings

None noted.

COMMISSIONERS OF ST. MARY'S COUNTY

Schedule of Prior Year Findings and Questioned Costs For the Year Ended June 30, 2023

Section IV – Prior Year Findings and Questioned Costs

Finding 2023-001

U.S. Department of Transportation

Assistance Listing Number 20.106 – COVID-19 – Airport Improvement Program Compliance and Internal Controls Deficiency over Reporting Repeat Findings: No

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Until the grant is completed and closed, the grantee is responsible for submitting SF-271 (construction projects) reports due 90 days after the end of each Federal fiscal year in which this grant is open (due December 31 of each year this grant is open).

Condition and Context:

For 1 out of 3 selections, the County did not submit the reports timely to the Federal agency.

2023 Status:

Finding has been resolved.