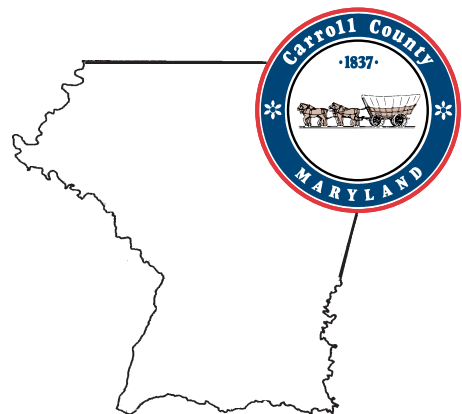


Single Audit Section



**Independent Auditor's 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***

The County Commissioners
of Carroll County
Westminster, Maryland

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 Carroll County as of and for the year ended June 30, 2008, which collectively comprise The County Commissioners of Carroll County's basic financial statements and have issued our report thereon dated November 21, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The County Commissioners of Carroll County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements 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 a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting 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 financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Commissioners, 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.

Clifton Henderson LLP

Baltimore, Maryland
November 21, 2008

**Independent Auditor's Report on Compliance With
Requirements Applicable to Each Major Program and on
Internal Control Over Compliance in Accordance with
OMB Circular A-133**

The County Commissioners
of Carroll County
Westminster, Maryland

Compliance

We have audited the compliance of the County Commissioners of Carroll County 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. The County Commissioners of Carroll County major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County Commissioners of Carroll County's management. Our responsibility is to express an opinion on the County Commissioners of Carroll County'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 the County Commissioners of Carroll County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County Commissioners of Carroll County's compliance with those requirements.

In our opinion, the County Commissioners of Carroll County 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.

Internal Control Over Compliance

The management of the County Commissioners of Carroll County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County Commissioners of Carroll County's internal control over compliance with the requirements that could have a direct and material effect on a major federal

program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 entity'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, each major fund, and the aggregate remaining fund information of the County Commissioners of Carroll County as of and for the year ended June 30, 2008, and have issued our report thereon dated November 21, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise June 30, 2008's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for 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 solely for the information and use of 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.

Clifton Henderson LLP

Baltimore, Maryland
November 21, 2008

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008**

Federal Grantor Program Title	Federal CFDA Number	Federal Grant Number	Pass- Through Grantor's Number	Program/ Award Amount	Expenditures
MAJOR PROGRAMS					
U.S. Department of Housing and Urban Development					
Direct Programs:					
Housing Section 8 Subsidies					
Section 8 Housing Choice Voucher Federal Funded Subsidy FY08	14.871	P-3532	N/A	\$ 4,080,051	\$ 4,029,233
Section 8 Administrative Federal Funded Subsidy FY08	14.871	P-3532	N/A	352,924	374,934
Section 8 FSS Coordinator Salary Federal Funded Subsidy FY08	14.871	P-3532	N/A	52,359	<u>55,746</u>
Total U.S. Department of Housing and Urban Development					<u>4,459,913</u>
U.S. Department of Health and Human Services					
Passed Through State Department of Human Resources:					
Cooperative Reimbursement 07/08 (Circuit Ct)	93.563	CSEA/CR-99-035	N/A	28,872	11,936
Cooperative Reimbursement 07/08 (St. Atty)	93.563	CSEA/CR-99-035	N/A	763,863	344,413
Cooperative Reimbursement 07/08 (Sheriff)	93.563	CSEA/CR-99-035	N/A	154,338	65,682
Cooperative Reimbursement 06/07 (Circuit Ct)	93.563	CSEA/CR-99-035	N/A	19,541	4,542
Cooperative Reimbursement 06/07 (St. Atty)	93.563	CSEA/CR-99-035	N/A	461,245	104,656
Cooperative Reimbursement 06/07 (Sheriff)	93.563	CSEA/CR-99-035	N/A	133,086	<u>26,302</u>
Total U.S. Department of Health and Human Resources					<u>557,531</u>
U.S. Department of Homeland Security					
Passed Through Maryland Emergency Management					
Administration:					
Citizen Corps FFY06	97.067	N/A	N/A	11,640	11,663
State Homeland Security FY08	97.067	N/A	N/A	265,679	28,633
Citizen Corps Min Grant (3)	97.067	N/A	N/A	1,500	1,110
LETPP FFY07	97.067	N/A	N/A	153,761	101,857
Homeland Security Admin FFY07	97.067	N/A	N/A	13,272	1,152
Homeland Security 2nd Planner	97.067	N/A	N/A	69,200	11,262
State Homeland Security Program	97.067	N/A	N/A	325,283	46,300
State Homeland Security Planner FY07	97.067	N/A	N/A	164,295	169,174
State Homeland Security Program-Administrative FY07	97.067	N/A	N/A	7,338	6,979
Law Enforcement Prevention FFY06	97.067	N/A	N/A	61,307	<u>25,900</u>
Total U.S. Department of Homeland Security					<u>404,030</u>
Total Major Programs					<u>5,421,474</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008
(CONTINUED)

Federal Grantor Program Title	Federal CFDA Number	Federal Grant Number	Pass- Through Grantor's Number	Program/ Award Amount	Expenditures
OTHER FEDERAL PROGRAMS					
U.S. Department of Housing & Community Development					
Passed Through Maryland Department of Community Development:					
Spencer Village-Rehab Apts	14.228			\$ 150,000	\$ <u>5,630</u> 5,630
U.S. Department of Health and Human Services					
Passed Through Maryland Office on Aging:					
Title III, Part B 10/1/07-9/30/08	93.044	3-24-AAA-005	N/A	129,657	99,112
Title III, Part B 10/1/06-9/30/07	93.044	3-24-AAA-005	N/A	111,389	<u>60,698</u> 159,810
Title III, Part D 10/1/07-9/30/08	93.043	3-24-AAA-005	N/A	9,000	2,857
Title III, Part D 10/1/06-9/30/07	93.043	3-24-AAA-005	N/A	9,000	<u>5,622</u> 8,479
Title III, Part E 10/1/07-9/30/08	93.052	3-24-AAA-005	N/A	46,490	39,136
Title III, Part E 10/1/06-9/30/07	93.052	3-24-AAA-005	N/A	47,805	<u>11,244</u> 50,380
MA Waiver FY08	93.779	4-24-AAA-005	N/A	68,474	69,205
SHIP FY08	93.779	4-24-AAA-005	N/A	9,202	9,202
Curb Abuse Medicare FY08	93.779	4-24-AAA-005	N/A	6,799	<u>6,799</u> 85,206
Ombudsman/Elderly Abuse FY08	93.042	3-24-AAA-005	N/A	15,672	<u>15,672</u> 15,672
Title III, Part C 10/1/07-9/30/08	93.045	3-24-AAA-005	N/A	104,971	55,162
Title III, Part C 10/1/06-9/30/07	93.045	3-24-AAA-005	N/A	116,265	47,910
Home Delivered Meals 10/1/07-9/30/08	93.045	3-24-AAA-005	N/A	52,341	39,620
Home Delivered Meals 10/1/06-9/30/07	93.045	3-24-AAA-005	N/A	54,857	<u>32,501</u> 175,193
Total U.S. Department of Health and Human Services					<u>494,740</u>
Passed Through Maryland Office on Aging					
U.S. Department of Labor					
Passed Through Howard County Manpower Resources:					
Employment and Training Assistance					
Economically Disadvantaged IIA 7/1/07-6/30/08	17.250	POOB7200008-B	24-02-07	42,516	34,061
Economically Disadvantaged IIA 7/1/06-6/30/07	17.250	POOB7200008-B	24-02-07	122,958	21,905
Economically Disadvantaged Youth IIC FY08	17.250	POOB7200008-C	24-02-07	37,175	32,053
Economically Disadvantaged Youth IIC FY07	17.250	POOB7200008-C	24-02-07	56,237	3,761
Administration FY08	17.250	POOB7200008-A	24-01-07	47,479	47,479
Administration FY07	17.250	POOB7200008-A	24-01-07	50,505	<u>2,623</u> 141,882
U.S. Department of Labor					
Passed Through Howard County Manpower Resources:					
Employment and Training Assistance					
Dislocated Workers III 7/1/07-6/30/08	17.260	POOB7200008-D	24-02-07	327,080	240,323
Dislocated Workers III 7/1/06-6/30/07	17.260	POOB7200008-D	24-02-07	324,049	<u>75,671</u> 315,994
Total U.S. Department of Labor					<u>457,876</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008
(CONTINUED)

Federal Grantor Program Title	Federal CFDA Number	Federal Grant Number	Pass- Through Grantor's Number	Program/ Award Amount	Expenditures
U.S. Department of Transportation					
Sam's Creek Road Bridge	20.205			\$ 422,942	\$ 40,338
Greenmount Church Road Bridge	20.205			614,040	22,296
		MD-90-4089/			
Section 5307 07/08	20.509	MD90-4101	N/A	199,405	199,405
Section 5307 (Capital) 07/08	20.507	MD-90-0101	N/A	219,168	32,397
Section 5311 07/08	20.509	MD-18-4023	N/A	99,405	<u>94,405</u>
Total U.S. Department of Transportation					<u>388,841</u>
U.S. Department of Homeland Security					
Passed Through Maryland Emergency Management Administration:					
HAZMAT FY07	97.021	N/A	N/A	7,000	5,206
Immigration & Custom Enforcement (ICE) FY06	16.590	N/A	N/A	10,000	<u>2,567</u>
Total U.S. Department of Homeland Security					<u>7,773</u>
U.S. Department of Agriculture					
Commodities	10.555	3-24-AAA-005	N/A	26,947	26,647
The Emergency Food Assistance Program FY08	10.568	N/A	N/A	18,966	3,900
Independence Through Employment (ITE) FY07	10.561	N/A	N/A	107,564	<u>8,303</u>
					<u>38,850</u>
U.S. Department of Energy					
Passed Through State Department of Human Resources:					
Weatherization FY08	81.042	N/A	N/A	108,918	116,852
Weatherization FY07	81.042	N/A	N/A	168,454	<u>42,706</u>
					<u>159,558</u>
U.S. Department of Justice					
Passed Through The Governor's Office of Crime Control and Prevention:					
Violence Against Women Act FY08 (St. Atty)	16.588	VAWA-98-036	N/A	93,625	78,657
Violence Against Women Act FY08 (Sheriff)	16.588	VAWA-98-036	N/A	47,505	35,597
Violence Against Women Act FY07 (St. Atty)	16.588	VAWA-98-036	N/A	93,625	18,566
Violence Against Women Act FY07 (Sheriff)	16.588	VAWA 2000-1004	N/A	42,728	7,147
Junction Inc FY08 Treatment for Chemically Involved Adolescents	16.738	BJAG-2005-1013	N/A	46,321	40,627
Junction Inc FY07 Treatment for Chemically Involved Adolescents	16.738	BJAG-2005-1013	N/A	61,762	8,646
Substance Abuse Jail Diversion FY08	16.738	BJAG-2005-1032	N/A	61,620	3,170
Substance Abuse Jail Diversion FY07	16.738	BJAG-2005-1032	N/A	61,620	17,900
Anti-Gang Strategy Grant	16.744	G-37 1295	N/A	135,822	71,172
Family Violence/Through HSP FY05	93.671	N/A	N/A	930,481	<u>46,135</u>
					<u>327,617</u>
U.S. Department of Justice					
National Network of Children's Advocacy Center Grant FY07					
	16.582	PS-9429	N/A	10,000	6,614
National Network of Children's Advocacy Center Grant FY08	16.582	PS-9429	N/A	10,000	<u>3,176</u>
Total U.S. Department of Justice					<u>9,790</u>
Federal Aviation Administration					
Airport Improvement Program:					
Master Plan	20.106			429,875	25,587
PAPI	20.106			136,333	<u>13,590</u>
Total Federal Aviation Administration					<u>39,177</u>
Total Other Federal Programs					<u>1,929,852</u>
TOTAL FEDERAL PROGRAMS					<u>\$ 7,351,326</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2008

NOTE 1 – REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal award programs of The County Commissioners of Carroll County for the year ended June 30, 2008.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards has been prepared using the modified accrual basis of accounting as fully described in the Summary of Significant Accounting Policies accompanying the County's basic financial statements.

NOTE 3 – RELATION TO BASIC FINANCIAL STATEMENTS AND FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the County's basic financial statements and the related federal financial reports submitted by the County.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified
Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Voucher Program
93.563	Child Support Enforcement
97.067	Homeland Security Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes _____ no

Section II—Financial Statement Findings

None

Section III—Federal Award Findings and Questioned Costs

None

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2008**

No prior year audit findings.



Department of the Comptroller
Carroll County Government
225 North Center Street
Westminster, Maryland