

WORCESTER COUNTY, MARYLAND

COMPLIANCE REPORT

June 30, 2024

WORCESTER COUNTY, MARYLAND

TABLE OF CONTENTS

	Page(s)
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 <i>Government Auditing Standards</i>	3 – 4
Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	5 – 7
Schedule of Expenditures of Federal Awards	8 – 11
Notes to Schedule of Expenditures of Federal Awards	12
Schedule of Findings and Questioned Costs	13



**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**

County Commissioners of
Worcester County, Maryland
Snow Hill, 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 unit, each major fund, and the aggregate remaining fund information of Worcester County, Maryland, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Worcester County, Maryland's basic financial statements, and have issued our report thereon dated December 23, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Worcester County, Maryland'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 Worcester County, Maryland's internal control. Accordingly, we do not express an opinion on the effectiveness of Worcester County, Maryland'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.

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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Worcester County, Maryland'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in dark ink that reads "UHY LLP". The letters are stylized and cursive, with the "U" and "H" being particularly prominent.

Salisbury, Maryland
December 23, 2024



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

County Commissioners of
Worcester County, Maryland
Snow Hill, Maryland

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Worcester County, Maryland's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Worcester County, Maryland's major federal programs for the year ended June 30, 2024. Worcester County, Maryland's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Worcester County, Maryland 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, 2024.

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, 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Worcester County, Maryland 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 Worcester County, Maryland'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 control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Worcester County, Maryland's federal programs.

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 Worcester County, Maryland'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 generally accepted auditing standards, *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 control. 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 Worcester County, Maryland's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Worcester County, Maryland'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 Worcester County, Maryland's internal control 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 control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Worcester County, Maryland's internal control 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 control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control 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 control over compliance. Accordingly, no such opinion is expressed.

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 unit, each major fund, and the aggregate remaining fund information of Worcester County, Maryland, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Worcester County, Maryland's basic financial statements. We issued our report thereon dated December 23, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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.

The image shows a handwritten signature in dark ink that reads "UHY LLP". The letters are written in a cursive, slightly stylized font.

Salisbury, Maryland
December 23, 2024

WORCESTER COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Description	Federal Assistance Listing Number	Grant Number	Federal Expenditures	Amount Provided to Subrecipients
Department of Health and Human Services				
<i>Passed through State of Maryland Department of Human Resources'</i>				
<i>Child Support Enforcement Administration:</i>				
Child Support Enforcement	93.563	CSA/CRA-23-044	\$ 2,612	\$ -
Total Child Support Enforcement			2,612	-
<i>Passed through Salisbury University:</i>				
Elder Abuse Prevention Interventions Program	93.747	90EJIG0039-01-00	512,921	-
Total Elder Abuse Prevention Interventions Program			512,921	-
Total Department of Health & Human Services			515,533	-
Department of Justice				
<i>Passed through State of Maryland Governor's Office of Crime Control and Prevention:</i>				
Binocular Night Vision	16.738	BJAG-2020-0030	24	-
Binocular Night Vision	16.738	BJAG-2021-0032	99,981	-
Total Edward Byrne Memorial Justice Assistance Grant Program			100,005	-
<i>Direct Award</i>				
Patrick Leahy Bulletproof Vest Partnership	16.607	N/A	9,970	-
Total Patrick Leahy Bulletproof Vest Partnership			9,970	-
Total Department of Justice			109,975	-
Department of Housing and Urban Development				
<i>Passed through Maryland Department of Housing and Community Development:</i>				
Community Development Block Grant (Housing Rehab)	14.228	MD-23-CD-25	157,249	-
Total Community Development Block Grant			157,249	-
Total Department of Housing and Urban Development			157,249	-

WORCESTER COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Description	Federal Assistance Listing Number	Grant Number	Federal Expenditures	Amount Provided to Subrecipients
Department of Homeland Security				
<i>Passed through Maryland Emergency Management Agency:</i>				
Emergency Management Performance Grant	97.042	EMP-2023-EP-00001-S01	\$ 76,137	\$ -
Total Emergency Management Performance Grant			76,137	-
<i>Passed through Maryland Emergency Management Agency:</i>				
State Homeland Security Program (22-SR-8861-02)	97.067	EMW-2022-SS-00009-S01	2,510	-
State Homeland Security Program (22-SR-8861-02)	97.067	EMW-2023-SS-00011-S02	27,855	-
Total State Homeland Security Program			30,365	-
Total Department of Homeland Security			106,502	-
Environmental Protection Agency				
<i>Passed through Department of the Environment:</i>				
Bathing Beach Monitoring Grant	66.472	U00P3600619	3,261	-
Total Bathing Beach Monitoring Grant			3,261	-
Total Environmental Protection Agency			3,261	-
Department of the Interior				
<i>Passed through the Bureau of Land Management:</i>				
Federal Payments in Lieu of Taxes (PILT)	15.226	N/A	24,396	-
Total Federal Payments in Lieu of Taxes (PILT)			24,396	-
Total Department of the Interior			24,396	-

WORCESTER COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Description	Federal Assistance Listing Number	Grant Number	Federal Expenditures	Amount Provided to Subrecipients
Department of Transportation				
<i>Passed through Maryland Department of Transportation:</i>				
<i>Highway Safety Cluster:</i>				
Maryland Highway Safety Grant-Impaired Driving	20.600	LE2023-195	\$ 1,050	\$ -
Maryland Highway Traffic Safety Grant-Impaired Driving	20.600	LE2024-196	800	-
Maryland Highway Safety Grant-Occupant Protection (FA 402)	20.600	LE2024-193	1,723	-
Total State Community and Highway Safety			3,573	-
Total Highway Safety Cluster			3,573	-
Total Department of Transportation			3,573	-
Institute of Museum and Library Services				
<i>Passed through Maryland State Department of Education, Division of Library Development and Services:</i>				
Library Services and Technology Act (Grant#00001486)	45.310	LS-253632-OLS-23	12,900	-
Library Services and Technology Act (Grant#00001514)	45.310	LS-253632-OLS-23	5,000	-
Total Library Services and Technology			17,900	-
Total Institute of Museum and Library Services			17,900	-
Department of the Treasury				
<i>Direct Award</i>				
COVID-19 ARPA (American Rescue Plan Act)	21.027	N/A	1,687,544	-
<i>Passed through Maryland Department of Housing and Community Development:</i>				
COVID-19 Neighborhood Connect Maryland Broadband	21.027	N/A	2,000,000	-
COVID-19 Maryland Connected Devices Program	21.027	N/A	2,862	-
Total Coronavirus State and Local Fiscal Recovery Funds			3,690,406	-

WORCESTER COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Description	Federal Assistance Listing Number	Grant Number	Federal Expenditures	Amount Provided to Subrecipients
<i>Direct Award</i>				
Local Assistance and Tribal Consistency Fund Grant (LATCF)	21.032	N/A	\$ 73,094	\$ -
Total Local Assistance and Tribal Consistency Fund Grant			73,094	-
Total Department of the Treasury			3,763,500	-
Department of Commerce				
<i>Passed through Maryland Department of Commerce:</i>				
<i>Economic Development Cluster:</i>				
Maryland's Coast Welcome Center Refresh	11.307	01-79-151901	4,575	-
Total Maryland's Coast Welcome Center Refresh Program			4,575	-
Total Economic Development Cluster			4,575	-
Total Department of Commerce			4,575	-
Total Federal Awards			\$ 4,706,464	\$ -

WORCESTER COUNTY, MARYLAND

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Worcester County, Maryland under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Worcester County, Maryland, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

Worcester County, Maryland has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

WORCESTER COUNTY, MARYLAND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2024

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Worcester County, Maryland were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses in internal control related to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Worcester County, Maryland, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the amount of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program, Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for Worcester County, Maryland expresses an unmodified opinion on all major federal programs.
6. No findings required to be reported in accordance with 2 CFR section 200.516(a) are reported in Part C of this Schedule.
7. The program tested as a major program was:
 - 21.027 – Coronavirus State and Local Fiscal Recovery Funds
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Worcester County, Maryland was considered a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None