

**COMMISSIONERS OF ST. MARY'S COUNTY**

**Single Audit Together with  
Reports of Independent Public Accountants**

**For the Year Ended June 30, 2025**

**COMMISSIONERS OF ST. MARY’S COUNTY**

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

**JUNE 30, 2025**

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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, 2025, 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, 2025, and the respective changes in financial position, the budgetary comparison for the general fund 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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, schedule of County proportionate share and schedule of contributions and related ratios of the net pension liability of the Maryland State Retirement and Pension System, schedule of changes in net pension liability and related ratios and schedule of contributions of the Sheriff's Office Retirement Plan and of the Length of Service Program, and schedule of changes in net OPEB liability and related ratios and schedule of contributions of the Retiree Benefit Trust Fund (OPEB), 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, and schedule of unexpended appropriations for capital projects, as listed in the table of contents, 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, and schedule of unexpended appropriations for capital projects, as listed in the table of contents, 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, and schedule of unexpended appropriations for capital projects, as listed in the accompanying table of contents 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 December 4, 2025 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  
December 4, 2025

*SBC + Company, LLC*



**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 financial statements of the 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, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 4, 2025.

***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) 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 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 County'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

***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 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 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  
December 4, 2025





**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**

***Opinion on 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, 2025. 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, 2025.

***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.

### ***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.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to this matter. *Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Controls over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal controls over compliance that we consider to be significant deficiencies.

*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 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. We consider the deficiency in internal controls over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001, to be a significant deficiency.

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. *Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the internal controls over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

## **Report on the 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, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon, dated December 4, 2025, 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



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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.

Owings Mills, Maryland  
March 30, 2026

*SB + Company, LLC*

COMMISSIONERS OF ST. MARY'S COUNTY

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>Department of Defense</b>				
Military Installation	12.003	N/A	\$ 96,286	\$ -
Retrofit Sidewalk	12.600	N/A	98,149	-
PAX Roadwork Maintenance	12.618	N/A	140,480	-
<b>Total Department of Defense</b>			<u>334,915</u>	<u>-</u>
<b>Department of the Interior</b>				
Rural Legacy Program	15.614	N/A	351,708	-
<b>Total Department of the Interior</b>			<u>351,708</u>	<u>-</u>
<b>Department of Justice</b>				
Residential Substance Abuse Treatment for State Prisoners (RSAT)	16.593	15PBJA-22-GG-00479-R	159,573	-
<u>Pass through St. Mary's County Health Department:</u>				
Day Reporting Grant	16.838	15PBJA-21-GG-024572-COAP/F121N	196,786	-
<b>Total Department of Justice</b>			<u>356,359</u>	<u>-</u>
<b>Department of Transportation</b>				
Airport Wetlands	20.106	3-24-022-017-2012	10,000	-
Airport Improvements	20.106	3-24-0022-027-2019; 24-0022-029-2020	3,854,039	-
County Bridge Replacement	20.205	N/A	469,519	-
Federal Bridge Replace	20.205	N/A	10,135	-
Three Notch Trail - Phase 7	20.205	N/A	75,460	-
<u>Pass through the Maryland Department of Transportation, Maryland State Highway Administration:</u>				
STS 5311/5307 Public	20.509	SM215311O2025	1,062,222	-
<i>Federal Transit Cluster</i>				
STS 5311/5307 Public	20.507	SM215307O2025	1,528,563	-
STS Transit System-Capital Request	20.526	SM215307C2023	29,404	-
STS Transit System-Capital Request	20.526	SM215311C2023	20,433	-
STS Capital Equipment	20.526	SM215339C2024	126,987	-
STS Capital Equipment	20.526	SM215339C2025	50,000	-
<i>Total Federal Transit Cluster</i>			<u>1,755,387</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, 2025

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>Department of Transportation</b> (continued)				
<u>Pass through the Maryland State Highway:</u>				
Highway Safety - Distracted Driving	20.608	LE-SMSO-2024-080	\$ 446	\$ -
Highway Safety - Impaired Driving	20.608	LE-SMSO-2024-081	600	-
Highway Safety - Speed Enforcement	20.608	LE-SMSO-2024-079	1,565	-
<i>Highway Safety Cluster</i>				
<u>Pass through the Washington-Baltimore HITDA, LLC:</u>				
High Intensity Drug Training - HITDA Grant Vehicle	20.616	G22WB0004A	3,750	-
<u>Pass through the Maryland State Highway:</u>				
<i>Highway Safety Cluster</i>				
Highway Safety - Buckle Up/Phone Down	20.600	LE-St. Mary's County Sheriff-2025-052-001	967	-
Highway Safety - Speed Enforcement/Adapt/Aggressive	20.600	LE-St. Mary's County Sheriff-2025-051-001	2,174	-
Highway Safety - Satur/Ck Pt./Impaired	20.616	LE-St. Mary's County Sheriff-2025-053-001	6,108	-
<i>Total Highway Safety Cluster</i>			12,999	-
<b>Total Department of Transportation</b>			<b>7,252,372</b>	<b>-</b>
 <b>Department of Treasury</b>				
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	N/A	2,656,721	135,246
<u>Pass through the Maryland Department of Housing and Community Development:</u>				
CSLFRF - Connected Devices Grant	21.027	Unknown	1,612	-
<b>Total Department of Treasury</b>			<b>2,658,333</b>	<b>135,246</b>
 <b>Department of Health and Human Services</b>				
<u>Pass through the Maryland Department of Aging:</u>				
<i>Aging Cluster</i>				
Federal American Rescue Plan	93.044	Unknown	8,812	-
Ombudsman-Federal	93.044	Unknown	101	-
Title IIIB/Community Service	93.044	Unknown	4,334	-
Title IIIB/Ombudsman	93.044	Unknown	1,075	-
Title IIIB/Community Service	93.044	Unknown	39,950	-

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, 2025

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>Department of Health and Human Services (continued)</b>				
<u>Pass through the Maryland Department of Aging: (continued)</u>				
<i>Aging Cluster (continued)</i>				
Title IIIB/Community Service	93.044	Unknown	\$ 50,299	\$ -
Federal American Rescue Plan	93.045	Unknown	16,292	-
Federal American Rescue Plan	93.045	Unknown	8,803	-
Title IIIC Congregate Meals	93.045	Unknown	14,703	-
Title IIIC2/Home Delivered Meals	93.045	Unknown	31,414	-
Title IIIC/Congregate Meals	93.045	Unknown	78,175	-
Title IIIC Home Delivered Meals	93.045	Unknown	51,328	-
Title IIIC1/Congregate Meals	93.045	Unknown	98,790	-
Title IIIC2/Home Delivered Meals	93.045	Unknown	75,924	-
NSIP Meals	93.053	Unknown	37,025	-
<i>Total Aging Cluster</i>			517,025	-
Ombudsman-Federal	93.042/041	Unknown	3,386	-
Ombudsman-Elder Abuse	93.042	Unknown	1,260	-
Ombudsman/Elder Abuse	93.042	Unknown	4,357	-
Federal American Rescue Plan	93.043	Unknown	1,020	-
Title IIID/Preventative Health	93.043	Unknown	2,119	-
Title IIID/Preventative Health	93.043	Unknown	4,203	-
Title IIID/Preventative Health	93.043	Unknown	294	-
Federal American Rescue Plan	93.052	Unknown	12,379	-
Title IIIE/National Caregivers	93.052	Unknown	403	-
Title IIIE National Caregiver	93.052	Unknown	28,077	-
Title IIIE National Caregiver	93.052	Unknown	72,899	-
MIPPA 1	93.071	Unknown	2,094	-
MIPPA-2	93.071	Unknown	1,067	-
MIPPA-3	93.071	Unknown	1,321	-
MIPPA-1	93.071	Unknown	748	-
MIPPA-2	93.071	Unknown	810	-
<i>Medicaid Cluster</i>				
FFP (MAP)	93.778	Unknown	41,435	-
FFP (MAP)	93.778	Unknown	40,368	-
Medicaid Waiver Provider	93.778	Unknown	191,011	-
<i>Total Medicaid Cluster</i>			272,814	-

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, 2025**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>Department of Health and Human Services (continued)</b>				
Senior Health Insurance SHIP	93.324	N/A	\$ 14,996	\$ -
Senior Medicare Patrol SMP	93.048	N/A	6,405	-
<u>Pass through the Maryland Department of Human Services:</u>				
Coop Reimbursement/Child Support	93.563	CSA/CRA-24-022	193,903	-
Cooperative Reimbursement - Child Support Services	93.563	CSA/CRA/24-040	1,310	-
Cooperative Reimbursement - Child Support Services	93.563	CSA/CRA/25-022	246,743	-
Cooperative Reimbursement - Child Support Services	93.563	CSA/CRA-25-040	4,720	-
<b>Total Department of Health and Human Services</b>			<b><u>1,394,353</u></b>	<b><u>-</u></b>
<b>Corporation for National and Community Service</b>				
RSVP	94.002	N/A	167,526	-
<b>Total Corporation for National and Community Service</b>			<b><u>167,526</u></b>	<b><u>-</u></b>
<b>Department of Homeland Security</b>				
Emergency Mgmt Grant	97.042	N/A	39,589	-
<u>Pass through the Maryland Emergency Management Agency:</u>				
Emergency-Isaias TS	97.036	N/A	453,691	-
Homeland Security	97.067	Unknown	62,842	-
Homeland Security	97.067	Unknown	37,996	-
			<b><u>594,118</u></b>	<b><u>-</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 13,109,684</u></b>	<b><u>\$ 135,246</u></b>

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, 2025

### 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 (the Schedule) represent all federal award programs and other grants with fiscal year 2025 cash or non-cash expenditure activities. For our Single Audit testing, we tested the federal award program with 2025 cash and non-cash expenditures to ensure coverage of at least 20% of federally granted funds. Actual coverage was 63%.

#### Identification of major programs:

<u>Major Programs</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Expenditures</u>
Airport Improvements/Wetlands	20.106	\$ 3,864,039
Federal Transit Cluster	20.507, 20.526	1,755,387
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	2,658,333
		<u>\$ 8,277,759</u>

Expenditures reported on 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 did not elect to use the 10-percent de minimis cost rate for indirect costs for the period July 1, 2024 through September 30, 2024, and the 15-percent de minimis cost rate for indirect costs for the period October 1, 2024 through June 30, 2025.

### 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, 2025**

**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)?	Yes
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of Uniform Guidance?	No

<u>Major Programs</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Expenditures</u>
Airport Improvements/Wetlands	20.106	\$ 3,864,039
Federal Transit Cluster	20.507, 20.526	1,755,387
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	2,658,333
		<u>\$ 8,277,759</u>
Threshold for distinguishing between Type A and B programs		<u>\$ 750,000</u>
Does the County qualify as a low risk auditee?		Yes

**Section II – Financial Statement Findings**

None noted.

# COMMISSIONERS OF ST. MARY'S COUNTY

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2025

### Section III – Federal Award Findings

#### Finding 2025-001

#### **Significant Deficiency in Internal Controls over Financial Reporting; Noncompliance – SEFA Preparation Repeat Finding: No**

*Criteria:*

The Uniform Guidance states that the schedule of expenditures of federal awards (SEFA) must include: 1) federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included, 2) expenditures of federal awards for the period covered by the auditee's financial statements, and 3) a list of federal programs by federal agency.

*Condition and Context:*

The SEFA for the year ended June 30, 2025, prepared by management did not accurately report the federal expenditures.

*Cause:*

The County did not have a process in place to ensure the completeness and accuracy of the schedule of expenditures of federal awards.

*Effect of Potential Effect:*

Misinformation presented to the federal government may lead to federal inquiries of management and those charged with governance. The SEFA was not prepared in accordance with Uniform Guidance.

*Questioned Costs:*

None.

*Recommendation:*

Management should track federal awards throughout the year to properly account for all expenditures of awards, including maintaining grant agreements and separating federal, State and County matching portions of the grants.

*Views of Responsible Officials:*

Management agrees with the finding. Refer to the Corrective Action Plan Section of this report.

**COMMISSIONERS OF ST. MARY'S COUNTY**

**Schedule of Prior Year Findings and Questioned Costs  
For the Year Ended June 30, 2025**

There were no findings in the 2024 single audit.



*Vanetta N. Van Cleave, Chief Financial Officer*

**DEPARTMENTAL CORRECTIVE ACTION PLAN**

**Issue:** Audit Finding – Incorrect Expenditures on the SEFA **Date of Report:** 3/30/2026

**Department:** Dept of Finance **Deputy Director:** Joyce Sapp

**SUMMARY:**

Audit finding reference: 2025-001

The SEFA for the year ended June 30, 2025 included inaccurate information including incorrect expenditures related to at least three federal awards.

**DEPARTMENTAL PLAN OF ACTION:**

The Budget Team, with Sonyia Staats taking the lead, will track federal awards throughout the year to properly account for all expenditures of awards, including reviewing grant agreements and separating federal, state and county matching portions.

**TIMELINE:**

The above actions will be implemented for Fiscal Year 2026. The additional assigned staff member(s) for the above noted responsibilities will be reported to the Deputy Director of Finance

**SIGNED:**  **DATE:** 3/30/26  
(Deputy Director)

