

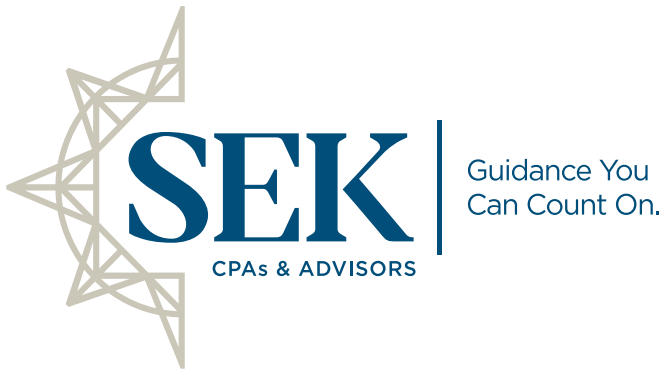
Single Audit
Reporting
Package

June 30,
2023

Mental Health
Association of
Frederick County,
Inc.

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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE*

Board of Directors
Mental Health Association of Frederick County, Inc.
Frederick, Maryland

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited Mental Health Association of Frederick County, Inc.’s (Association) 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 the Association’s major federal programs for the year ended June 30, 2023. The Association’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Mental Health Association of Frederick County, Inc. 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, 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; 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 Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Mental Health Association of Frederick County, Inc. 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 Mental Health Association of Frederick County, Inc.’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 Mental Health Association of Frederick County, Inc.'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 Mental Health Association of Frederick County, Inc.'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 Mental Health Association of Frederick County, Inc.'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 Mental Health Association of Frederick County, Inc.'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 Mental Health Association of Frederick County, Inc.'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 Mental Health Association of Frederick County, Inc.'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.

REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

We have audited the financial statements of the Association as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements. We issued our report thereon dated May 15, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion 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 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.

Smith Elliott Research Company, LLC

Hagerstown, Maryland
August 20, 2024, except for our report on the
Schedule of Expenditures of Federal Awards for
which the date is May 15, 2024

MENTAL HEALTH ASSOCIATION OF FREDERICK COUNTY, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor and Program Title	Federal Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services					
American Rescue Plan Act Early Childhood Mental Health *COVID-19 Funding	93.575	Maryland State Department of Education	2101MDCDC6	\$ 222,167	\$ -
American Rescue Plan Act Discretionary *COVID-19 Funding A	93.575	Maryland Family Network	2101MDCDC6	432,500	-
m	93.575	Maryland Family Network	2101MDCDC6	98,100	-
Professional Development Capacity Building	93.575	Maryland Family Network	2201MDCCDD	187,500	-
Infant & Toddler	93.575	Maryland Family Network	2201MDCCDD	112,500	-
Total Child Care & Development Block Grant				<u>1,052,767</u>	<u>-</u>
Crisis Stabilization Center	93.493	Frederick County, Maryland	G7754.1000.23.01	142,429	-
988 Transition	93.958	Frederick County Health Department	F971N	74,655	-
Walk-In Peer Expansion	93.958	Frederick County Health Department	F971N	46,522	-
Total Community Mental Health Services Block Grant				<u>121,177</u>	<u>-</u>
988/Lifeline Crisis Hotline	93.243	Frederick County Health Department	F983N	60,474	-
Walk-In Crisis Services	93.959	Frederick County Health Department	F846N	20,471	-
Total U.S. Department of Health and Human Services				\$ 1,397,318	\$ -
U.S. Department of Justice					
Victims of Crime Act	16.575	Governor's Office of Crime Control and Prevention	VOCG-2023-0047	\$ 26,416	\$ -
Total Federal Expenditures				<u>\$ 1,423,734</u>	<u>\$ -</u>

MENTAL HEALTH ASSOCIATION OF FREDERICK COUNTY, INC.
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

NOTE 1 GENERAL INFORMATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Association under programs of the federal government for the year ended June 30, 2023. 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 the Association, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Association.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Indirect Costs

The Association has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

MENTAL HEALTH ASSOCIATION OF FREDERICK COUNTY, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified	
Internal control over major programs:		
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> </u> yes	<u> X </u> none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	<u> </u> yes	<u> X </u> no

Identification of Major Programs:

<u>ALN</u>	<u>Name of Federal Program or Cluster</u>
93.575	Child Care and Development Block Grant

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes X no

MENTAL HEALTH ASSOCIATION OF FREDERICK COUNTY, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

A. Significant Deficiencies or Material Weaknesses in Internal Control

See Finding 2023-001 in the separately issued Schedule of Findings associated with the 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* dated May 15, 2024.

B. Compliance Findings

There were no findings related to compliance during the year ended June 30, 2023.

SECTION III – FEDERAL FINDINGS AND QUESTIONED COSTS

A. Significant Deficiencies or Material Weaknesses in Internal Control Over Compliance

None noted.

B. Compliance Findings

There were no findings related to the major federal awards as required to be reported in accordance with Uniform Guidance by 2 CFR Section 200.516.

MENTAL HEALTH ASSOCIATION OF FREDERICK COUNTY, INC.
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

Findings related to financial statements:

None noted.

Findings related to federal awards:

A single audit was not performed for the year ended June 30, 2022.