



# **INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN**

## **SINGLE AUDIT REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**30 W GUDE DRIVE  
SUITE 450  
ROCKVILLE MD 20850  
[WWW.POTOMACRIVER.ORG](http://WWW.POTOMACRIVER.ORG)**

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**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***

To the Commissioners  
Interstate Commission on the Potomac River Basin  
Rockville, 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 statement of net position, and the related statements of revenues, expenses and changes in net position, and cash flows of the Interstate Commission on the Potomac River Basin (the Commission) as of and for the year ended September 30, 2019, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated January 27, 2020

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 may exist that have not been identified.

To the Commissioners  
Interstate Commission on the Potomac River Basin

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Greenbelt, Maryland  
January 27, 2020



**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**

To the Commissioners  
Interstate Commission on the Potomac River Basin  
Rockville, Maryland

**Report on Compliance for Each Major Federal Program**

We have audited the Interstate Commission on the Potomac River Basin's (the Commission) compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended September 30, 2019. The Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Commission's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance 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 Commission'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Commission 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 September 30, 2019.

### **Report on Internal Control Over Compliance**

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

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 statement of net position, and the related statements of revenues, expenses and changes in net position, and cash flows of the Commission as of and for the year ended September 30, 2019, and have issued our report thereon dated January 27, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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

To the Commissioners  
Interstate Commission on the Potomac River Basin

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 financial statements or to the 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 financial statements as a whole.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The script is fluid and cursive, with the letters connected in a continuous line.

**CliftonLarsonAllen LLP**

Greenbelt, Maryland  
January 27, 2020

**INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN  
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2019**

Federal Agency	Federal CFDA Number	Federal Program	Pass Through Entity	Assistance ID Number	Program or Award Amount(2)	Total Awards Expended(3)	Expended by CFDA #	Passed Through to Subrecipients
EPA	66.419	Water Pollution Control	N/A	I-98339413	\$ 635,000	\$ 635,000	\$ 635,000	\$ -
EPA	66.460	MDE Corsica River	MDE	U00P9400467	20,000	20,000	20,000	
EPA	66.466	Chesapeake Bay Program	N/A	CB-96351301	144,292	83,865		-
		Chesapeake Bay Program	N/A	CB-96351301	145,716	39,632		
		WV Algae VII project	WVDEP	NPS1689	40,311	29,667	153,164	-
					330,319	153,164	153,164	
EPA	66.454	VA Accotink SaMS(1)	VADEQ	16577	84,500	15,706	15,706	
EPA	66.468	Safe Drinking Water Set Aside	MDE	U00B8400014	6,465	6,465	6,465	-
				TOTAL	\$ 1,076,284	\$ 830,335	\$ 830,335	\$ -

**AGENCY & PASS-THROUGH ENTITY CODES:**

EPA ENVIRONMENTAL PROTECTION AGENCY  
VADEQ VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY  
MDE MARYLAND DEPARTMENT OF THE ENVIRONMENT  
WVDEP WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION  
N/A NOT APPLICABLE

(1) Fixed fee contract.

(2) Total Grant Amount, may cover periods outside of fiscal year.

(3) Fiscal year expenditure prepared under generally accepted accounting principles applied to governmental agencies.

See Notes to Schedule of Expenditures of Federal Awards.



**INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
SEPTEMBER 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Interstate Commission on the Potomac River Basin (the Commission) for the year ended September 30, 2019.

**Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards has been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles.

**NOTE 2 SUBRECIPIENTS**

There were no awards provided to subrecipients for the year ended September 30, 2019.

**NOTE 3 INDIRECT COSTS**

The Commission did not elect to use the 10% de minimis cost rate for indirect costs.

**INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 2019**

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***Section I – Summary of Auditors’ Results***

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***Financial Statements***

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ Yes          x       No
  - Were significant deficiency(ies) identified not considered to be a material weakness(es)? \_\_\_\_\_ Yes          x       No
3. Noncompliance material to basic financial statements noted? \_\_\_\_\_ Yes          x       No

***Federal Awards***

1. Internal control over compliance:
- Material weakness(es) identified? \_\_\_\_\_ Yes          x       No
  - Were significant deficiency(ies) identified not considered to be a material weakness(es)? \_\_\_\_\_ Yes          x       No
2. Type of auditor’s report issued on compliance for major programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) \_\_\_\_\_ Yes          x       No

***Identification of major federal programs:***

**CFDA Number(s)**

**Name of Federal Program or Cluster**

Water Pollution Control State, Interstate, and Tribal Program Support

66.419

Dollar threshold used to determine Type A projects: \$       750,000      

Auditee qualify as low-risk auditee?       x       Yes    \_\_\_\_\_ No

**INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
SEPTEMBER 30, 2019**

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***Section II – Financial Statement Findings***

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**None**

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**None**

**INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 2019**

**Prior Year Findings**

*None Reported*