

# MONTGOMERY COUNTY MARYLAND

## *Report on Expenditures of Federal Awards*



*Fiscal Year 2014*

July 1, 2013 - June 30, 2014  
Rockville, Maryland

**MONTGOMERY COUNTY, MARYLAND**

**REPORT ON SINGLE AUDIT**

**June 30, 2014**

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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***

The Honorable County Council  
of Montgomery County, Maryland  
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 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 Montgomery County, Maryland (the County), as of and for the year ended June 30, 2014, 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 17, 2014. The County's financial statements include the financial statements of the Montgomery County Public Schools, Montgomery County Community College, Housing Opportunities Commission of Montgomery County, Montgomery County Revenue Authority and the Bethesda Urban Partnership, Inc. as described in our report on the County's financial statements. Our audit described below did not include operations of these entities because these entities engaged for their own separate audit in accordance with *Government Audit Standards* and Bethesda Urban Partnership was not audited in accordance with *Government Audit Standards*.

**Internal Control Over Financial Reporting**

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County'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 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 result of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
December 17, 2014



**Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program, on Internal Control Over Compliance, and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133**

The Honorable County Council  
of Montgomery County, Maryland  
Rockville, Maryland

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

We have audited Montgomery County, Maryland's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2014. The County'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 the County'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

The County's financial statements include the operations of the Montgomery County Public Schools, Montgomery Community College, Montgomery County Revenue Authority, Housing Opportunities Commission of Montgomery County and the Bethesda Urban Partnership for the year ended June 30, 2014, component units which may have received federal awards, and which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2014. Our audit described below did not include the operations of these entities. We were separately engaged to perform and have separately reported on the results of our audits of the Montgomery County Public Schools, Housing Opportunities Commission of Montgomery County and Montgomery Community College, in accordance with OMB Circular A-133, if required.

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 County's compliance.

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

In our opinion, the County 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, 2014.

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

Management of the County 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 County'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 OMB Circular A-133, 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 County'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 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.

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

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 Montgomery County, Maryland (the County), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 17, 2014, 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 County's financial statements include the operations of the Montgomery County Public Schools, Montgomery Community College, Montgomery County Revenue Authority, Housing Opportunities Commission of Montgomery County and the Bethesda Urban Partnership for the year ended June 30, 2014. The federal expenditures, where applicable, for the Montgomery County Public Schools,

Montgomery Community College, Housing Opportunities Commission of Montgomery County, Montgomery County Revenue Authority and Bethesda Urban Partnership are not included in the schedule of expenditures of federal awards. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information 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 expenditure of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**CliftonLarsonAllen LLP**

Baltimore, Maryland

December 17, 2014



**MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2014**

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
<b>U. S. Department of Agriculture</b>			
Pass Through Programs From:			
Maryland State Department of Human Resources			
Programs of the SNAP Cluster:			
State Administrative Matching Grant for Food Stamps	10.561	Md. House Bill 669	\$ 5,467,695
Subtotal SNAP Cluster			\$ 5,467,695
Programs of the Food Distribution Cluster:			
FY13 TEFAP SURPLUS FOOD	10.568	OGM/FNS-12-016	1,816
Emergency Food Assistance Program (Food Commodities)	10.569	Food Bank	65,223
Subtotal Food Distribution Cluster			67,039
<b>Total U.S. Department of Agriculture</b>			<b>5,534,734</b>
<b>U.S. Department of Defense - Office of Economic Adjustment</b>			
Direct Programs:			
Maryland Crossing Route 355	12.600	-	2,899,518
Base Realignment and Closure (BRAC)	12.607	-	139,558
<b>Total U. S. Department of Defense</b>			<b>3,039,076</b>
<b>U. S. Department of Housing and Urban Development</b>			
Direct Programs:			
Programs of the CDBG - Entitlement Grants Cluster:			
Community Development Block Grant (CDBG)	14.218	-	5,792,282
Subtotal CDBG - Entitlement Grants Cluster			5,792,282
Emergency Shelter Program	14.231	-	384,103
HOME Investment Partnership	14.239	-	1,723,207
Balance of 06/30/2013 Outstanding Loans as of 06/30/2014	14.239	-	31,493,726
Subtotal Direct Programs			39,393,318
Pass Through Programs From:			
Maryland State Department of Health and Mental Hygiene			
Housing for People with AIDS (HOPWA)	14.241	AD658HOP	781,814
Subtotal Pass Through Programs			781,814
Direct Programs:			
Continuum of Care Planning	14.267	-	18,109
<b>Total U. S. Department of Housing and Urban Development</b>			<b>40,193,241</b>
<b>U. S. Department of Justice</b>			
Direct Programs:			
SCAAP - States Alien Assistance Program G.F.	16.606	-	828,861
COPS Universal Hiring Program	16.710	-	250,000
DNA Backlog Reduction	16.741	-	51,660
Enforcement of Protection Orders Program	16.590	-	395,828
Work First, Train Concurrently	16.812	-	6,233
Subtotal Direct Programs			1,532,582
Pass Through Programs From:			
Governor's Office of Crime Control and Prevention			
Victims of Crime Assistance Program (VOCA)	16.575	VOCA-2011-1216	192,380
Victims of Crime Assistance Program (VOCA)	16.575	VOCA-2012-1316	10,666
Multicultural Intervention Project for Victims of Child Abuse	16.575	VOCA-2011-1253	209,668
Multicultural Intervention Project for Victims of Child Abuse	16.575	VOCA-2012-1353	62,762
S.T.O.P. Violence Against Women Act	16.588	VAWA-2011-1912	60,000
S.T.O.P. Violence Against Women Act	16.588	VAWA-2012-1012	3,319
Lethality Assessment Advocate	16.588	VAWA-2011-1611	14,988
Lethality Assessment Advocate	16.588	VAWA-2012-1711	9,028
FY14 Discovery Improvement	16.590	VAWA-2011-1912	2,506
Courtroom Technology Enhancements	16.590	BJAG-2009-1092	12,361
University of Maryland, College Park			
Bi County Gang Grant - Congressionally Selected	16.753	2010-DD-BX-0554	27,758
U.S. Marshall's Office			
FY12 Regional Fugitive - US MARSHALS	16.595	JLEO-12-0128	17,907
FY13 US MARSHALS	16.595	JLEO-13-0128	6,460
Subtotal Pass Through Programs			629,803

**MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2014**

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
<b>U. S. Department of Justice (continued)</b>			
Justice Assistance Grant (JAG) Cluster:			
Direct Programs:			
FY14 E-Citation	16.738	-	\$ 24,500
Pass Through Programs From:			
Governor's Office of Crime Control and Prevention			
Prosecutor/Analyst - CSAFE Bridge Funding	16.738	BJAG-2010-1919	10
FY13 BJA Grant	16.738	-	37,699
LETS Forensic Evidence	16.738	-	2,045
LETS FIPS Training	16.738	BJAG-2010-001	4,959
Maryland Emergency Management Agency (MEMA)			
FY13 BJA Grant	16.738	-	16,923
Subtotal Justice Assistance Grant (JAG) Cluster			<u>\$ 86,136</u>
<b>Total U. S. Department of Justice</b>			<u><b>2,248,521</b></u>
<b>U. S. Department of Labor</b>			
Pass Through Programs From:			
State Department of Labor, Licensing and Regulation			
Programs of the Workforce Investment Act (WIA) Cluster:			
WIA - Adult Program	17.258	POOB2400134-A	25,547
WIA - Adult Program	17.258	POOB2400134-A	499,368
WIA - Adult Program	17.258	POOB3400016-A	255,909
WIA - Youth Programs	17.259	POOB2400005-B	648,324
WIA - Youth Programs	17.259	POOB3400016-B	206,684
Summer Youth Connection	17.259	POOP3400560	91,208
WIA - State Wide	17.259	-	3,000
WIA - Early Intervention	17.278	-	216,270
WIA - Dislocated Workers	17.278	POOB24000134-C	96,730
WIA - Dislocated Workers	17.278	POOB2400072-C	402,840
Rapid Response - Early Intervention	17.278	POOB3400248	154,917
Subtotal Workforce Investment Act (WIA) Cluster			<u>2,600,797</u>
<b>Total U. S. Department of Labor</b>			<u><b>2,600,797</b></u>
<b>U. S. Department of Transportation</b>			
Pass Through Programs From:			
Metropolitan Washington Council of Governments (COG)			
Programs of the Transit Services Programs Cluster:			
Federal Transit Administration - Bikeshare Program	20.516	DC-37-X024-00	883,245
Subtotal Transit Services Programs Cluster			883,245
Maryland Transit Administration			
Programs of the Federal Transit Cluster:			
Ride-on Bus Fleet	20.500	MO095-309-C2012	2,858,537
Ride-on Bus Fleet	20.500	MO095-307-WC2012	1,600,000
Ride-on Bus Fleet	20.507	MO095-307-BC2013	1,600,000
Ride-on Bus Fleet	20.507	MD-95-0009	1,600,000
RideSharing/Commuter Assistance Grant	20.507	-	287,874
RideSharing/Commuter Assistance Grant	20.507	-	14,400
Subtotal Federal Transit Cluster			<u>7,960,811</u>
Ride-on Bus Fleet	20.519	MD-58-0002	3,066,286
National Highway Traffic Safety Administration			
Programs of the Highway Safety Cluster:			
State and Community Highway Safety	20.600	-	6,599
Subtotal Highway Safety Cluster			<u>6,599</u>
<b>Total U. S. Department of Transportation</b>			<u><b>11,916,941</b></u>
<b>U. S. Department of Education</b>			
Pass Through Programs From:			
Maryland State Department of Education			
Programs of the Special Education Cluster:			
Infants and Families with Disabilities	84.027	144228-02	221,079
Infants and Families with Disabilities	84.027	144228-05	238,235
Infants and Families with Disabilities	84.027	145286-01	10,012
Infants and Families with Disabilities	84.027	145286-01	173,530
Infants and Families with Disabilities	84.027	145286-01	10,000
Infants and Families with Disabilities	84.173	144228-03	8,994
Subtotal Special Education (IDEA) Cluster			<u>661,850</u>

**MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2014**

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
<b>U. S. Department of Education (continued)</b>			
Summer Youth	84.126	135345	\$ 64,369
Infants and Families with Disabilities	84.181	134366-06	252,410
Infants and Families with Disabilities	84.181	134366-06	72,066
Infants and Families with Disabilities	84.181	134366-01	367,988
Infants and Families with Disabilities	84.181	144228-01	765,306
Race to the Top- Early Childhood Advisory Council-ARRA	84.412	145113	10,923
Maryland Family Network			
Race to the Top - Early Learning Challenge Grant-ARRA	84.412	-	33,750
<b>Total U. S. Department of Education</b>			<b>2,228,662</b>
<b>U. S. Department of Health and Human Services</b>			
Direct Programs:			
State Court Improvement Program	93.586	-	24,459
Head Start	93.600	-	4,374,841
Targeted Health Funding - Maternal and Child Health	93.994	-	586,793
Subtotal Direct Programs			4,986,093
Pass Through Programs From:			
Maryland State Office on Aging			
Special Programs for the Aging - Ombudsman Services	93.042	AAA-3-24-015	100,648
Title III, Part D - Supportive Services and Senior Centers	93.043	AAA-3-24-015	18,377
National Family Care Giver Support	93.052	AAA-3-24-015	337,928
Maryland Access Point	93.517	ADP 13-02 - MAP	17,647
Money Follows the Person - Education and Application	93.791	M00B24000380-014	86,710
Programs of the Aging Cluster:			
Title III, Part B - Supportive Services and Senior Centers	93.044	AAA-3-24-015	746,201
Title III, Part C - Nutrition Services	93.045	AAA-3-24-015	1,586,257
SR Nutrition NSIP	93.053	ST-2505-014	245,360
Subtotal Aging Cluster			2,577,818
Community Transportation Association of America			
Inclusive Coordinated Transportation Partnership Program	93.048	90TC0001/01	18,109
Maryland Family Network			
Child Care Resource and Referral Grant	93.575	-	159,342
Local Early Childhood Advisory Council	93.708	135124	41
Maryland Community Health Resources Commission			
Local Health Improvement Coalition	93.507	LHIC13-006	11,053
Maryland State Department of Human Resources			
Title IV-E Guardianship	93.090	Md. State HB 669	5,027
Family Preservation	93.556	Md. State HB 669	10,179
Title IV-B PSSF Caseworker Visits	93.556	Md. State HB 669	59,380
Programs of the Temporary Assistance for Needy Families (TANF) Cluster:			
Temporary Assistance for Needy Families	93.558	Md. State HB 669	4,775,829
Subtotal Temporary Assistance for Needy Families (TANF) Cluster			4,775,829
Title IV-D - Child Support	93.563	Md. State HB 669	445,737
Child Support Enforcement	93.563	CSEA/CRA-13-043	695,833
Low Income Home Energy Assistance	93.568	Md. State HB 669	890,353
Programs of the Child Care and Development Fund (CCDF) Cluster:			
Child Care Mandatory and Matching Funds of the CCDF	93.575	Md. State HB 669	964,765
Child Care and Development Fund (CCDF)	93.596	Md. State HB 669	51,159
Subtotal Child Care and Development Fund (CCDF) Cluster			1,015,924
Foster Care Title IV-E Administration	93.658	Md. State HB 669	2,313,833
Title IV-E - Adoption	93.659	Md. State HB 669	60,079
Child Abuse and Neglect	93.669	Md. State HB 669	3,431
Children Insurance Program (CHIP)	93.767	Md. State HB 669	205,007
Senior Health Insurance Counseling	93.779	ST-2515-014	65,016
Maryland State Department of Housing and Community Development			
Community Services Block Grant	93.569	DCA/OCA-10-03-013	90,750
Community Services Block Grant	93.569	DCA/OCA-10-03-013	385,715
Governor's Office of Crime Control and Prevention			
Protective Order Enforcement	93.563	VAWA-2011-1719	42,500
Georgetown University			
Programs of the Research and Development Cluster:			
Microbiology Infectious Disease Research - HIV Positive Women	93.855	RX 4335-023 MC	54,798
Microbiology Infectious Disease Research - HIV Positive Women	93.856	RX 4335-023 MC	65,065
Subtotal Research and Development Cluster			119,863

**MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2014**  
(Continued)

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
<b>U. S. Department of Health and Human Services (continued)</b>			
Prince George's County			
HIV Emergency Relief	93.914	-	\$ 656,538
HIV Emergency Relief	93.914	-	1,309,264
Maryland State Department of Health and Mental Hygiene Centers for Disease Control and Prevention (CDCP)			
Preparedness and Emergency Response Learning Center	93.069	PRO40PHP	626,798
Tuberculosis Control	93.116	CH015TBF	306,659
PATH - Transition from Homelessness	93.150	MH1700TH	93,806
Reproductive Health/Family Planning	93.217	FH554FPG	364,709
Immunization Grants	93.268	CH354IMM	276,102
Maryland Health Benefit Exchange	93.525	01-001-13	3,986,890
Medical Assistance - Admin Care Coordination	93.767	MA020EPS	45,825
State Children Insurance Program	93.767	MA286ACM	507,890
HIV Care Formula	93.917	AD486RWS	991,277
CDC Breast & Cervical Cancer	93.919	FHC49BCC	557,861
HIV Prevention	93.940	AD348PRV	25,486
HIV Prevention	93.940	AD348PRV	549,488
Community Mental Health Services	93.958	MH234OTH	569,787
Substance Abuse Prevention and Treatment	93.959	MU525ADP	364,395
Substance Abuse Prevention and Treatment	93.959	AS241FED	1,163,216
Maryland Million Hearts	93.991	FHC28MMH	37,067
Children with Special Needs - FY14	93.994	CH501CSN	65,415
Subtotal Pass Through Programs			<u>27,010,602</u>
Programs of the Medicaid Cluster:			
Direct Programs:			
Nursing Home Reimbursement	93.777	-	513,244
Pass Through Programs From:			
Maryland State Department of Human Resources			
Title XIX - Certification	93.778	Md. State HB 669	5,697,385
Title XIX - Health Related Services	93.778	Md. State HB 669	591,940
Maryland State Department of Health and Mental Hygiene			
PWC Eligibility	93.778	MA286ACM	384,175
Medical Assistance - Admin Care Coordination	93.778	MA020EPS	704,730
Medical Assistance - Medicaid Transport	93.778	MA366GTS	1,763,358
Medical Assistance Program	93.778	-	3,017,468
Maryland Health Benefit Exchange	93.778	01-001-13	2,341,507
Subtotal Medicaid Cluster			<u>15,013,807</u>
<b>Total U. S. Department of Health and Human Services</b>			<b><u>47,010,502</u></b>
<b>Corporation for National and Community Service</b>			
Direct Programs:			
Retired and Senior Volunteer Program	94.002	-	65,199
MLK Day of Service	94.007	-	4,186
Pass Through Programs From:			
Governor's Office on Service and Volunteerism			
Maryland Volunteer Generation Fund	94.021	10 VGFMD 001	21,951
Maryland Volunteer Generation Fund	94.021	13 VGFMD 001	12,076
<b>Total Corporation for National and Community Service</b>			<b><u>103,412</u></b>
<b>U. S. Department of Homeland Security</b>			
Direct Programs:			
UASI Baltimore/NCR LINX Bonus Program	97.008	-	131,227
National Urban Search and Rescue Response System	97.025	-	125,330
National Urban Search and Rescue Response System	97.025	-	487,030
National Urban Search and Rescue Response System - Colorado Floodings	97.025	-	31,567
National Urban Search and Rescue Response System - 2013 FEMA	97.025	-	473,451
National Urban Search and Rescue Response System - Washington Mudslides	97.025	-	33,614
Assistant to Fire Fighters Grant	97.044	-	1,193,531
SAFER Grant	97.044	-	1,621,723
Subtotal Direct Programs			<u>4,097,473</u>
Pass Through Programs From:			
District of Columbia - Homeland Security and Emergency Management Agency			
FFY11 UASI RADIO CACHE MAINT	97.067	11UASIS41-01	42,135
FFY12 UASI RADIO CACHE MAINT	97.067	12UASIS41-01	227,225
FFY12 UASI E&T Grant	97.067	12UASIS35-01	53,988
FFY13 UASI E&T Grant	97.067	-	131,727

**MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2014**  
(Continued)

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
<b>U. S. Department of Homeland Security (continued)</b>			
FFY11 UASI LinX and RAPID Maintenance	97.067	11UASI536-01	\$ 81,339
FFY12 UASI LINX	97.067	12UASI536-01	1,505,243
FFY10 LinX MAINTENANCE	97.067	10UASI536-01	19,367
FFY12 Linx Expansion	97.067	-	359,869
FFY12 UASI School Prep	97.067	-	42,844
FFY10 UASI LinX HANDHELD SOLUTION (PHASE II)	97.067	10UASI536-02	72,079
FFY12 NIMS Compliance Officer	97.067	12UASI535-02	39,979
FY12 UASI Emergency Respiratory System	97.067	-	279,974
FFY12 Radio Microphones	97.067	-	99,882
FFY12 EMS Equipment	97.067	-	219,504
FFY13 EMS Unit Equipment	97.067	-	170,000
FFY11 Volunteer & Citizen Corps Program - MC	97.067	11UASI535-03	153,313
FFY12 Volunteer & Citizen Corps Program - MC	97.067	12UASI535-03	229,209
FFY13 Volunteer	97.067	-	13,104
UASI 2011 MD 5%	97.067	11UASI535-04	985,845
FFY12 UASI Regional Planning Grant	97.067	12UASI535-04	105,865
FRS FFY11 UASI PATIENT TRACKING SYSTEMS	97.067	11UASI541-02	163,510
FRS FFY11 UASI MMRS CONTINUATION GRANT	97.067	11UASI541-03	97,247
FRS FFY12 UASI WATER OPERATIONS	97.067	12UASI541-04	721,732
FFY12 UASI Montgomery County EOC Enhancement (MD 5%)	97.067	12UASI535-05	837,502
FFY11 UASI CAD to CAD Grant	97.067	11UASI535-06	654,968
Regional Planning Grant	97.067	-	98,478
Maryland Emergency Management Agency			
FEMA Reimbursement - Hurricane Sandy	97.036	FEMA-4091-DR-MD	1,420,595
FEMA Reimbursement - Hurricane Sandy	97.036	FEMA-4091-DR-MD	827,446
Emergency Management Preparedness	97.042	11-SR-8852	231,845
Emergency Management Preparedness	97.042	12-SR-8852	9,114
Subtotal Pass Through Programs			<u>9,894,928</u>
<b>Total U.S. Department of Homeland Security</b>			<u><b>13,992,401</b></u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><b>\$ 128,868,287</b></u>

**MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2014**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the primary government of Montgomery County, Maryland (the County), and is presented on the modified-accrual basis of accounting. Federal awards of component units of the County reporting entity are not included in this Schedule.

The information in this Schedule is also presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Expenditures of federal award grant funds are made for the purposes specified by the grantor, and are subject to certain restrictions. Expenditures are also subject to audit by the relevant federal agency. In the opinion of management, disallowed costs, if any, from such audits will not have a material effect on this Schedule or the financial position of the County.

**NOTE 2 – SUBRECIPIENTS**

Of the expenditures presented in the Schedule, the County provided awards to subrecipients as follows:

<b>Program Title</b>	<b>CFDA Number</b>	<b>Subrecipient Name</b>	<b>Amount Provided to Subrecipients</b>
Head Start	93.600	Montgomery County Public Schools	\$ 3,371,910
Infants and Toddlers (I & T)	84.027	Montgomery County Public Schools	221,079
Infants and Toddlers (I & T)	84.181	Montgomery County Public Schools	173,530
Infants and Toddlers (I & T)	84.181	Montgomery County Public Schools	72,066
Medicaid – (I & T)	93.778	Montgomery County Public Schools	319,981
Community Development Block Grant (CDBG)			
CDBG	14.218	City of Rockville	269,967
CDBG	14.218	City of Takoma Park	91,021
Workforce Investment Act (WIA)			
Workforce Solutions Group of Montgomery County, Inc. (WSGMC)			
Second Chance Grant	16.812	WSGMC	6,233
Adult Program	17.258	WSGMC	637,636
Adult Program	17.258	Latin American Youth Center	26,648
Youth Program	17.259	WSGMC	12,716
Youth Activities	17.259	Latin American Youth Center	629,230
Youth Activities	17.259	Latin American Youth Center	63,424
Youth Activities	17.259	Latin American Youth Center	39,029
Youth Summer Program	17.259	Transcen, Inc.	235,197
Dislocated Workers	17.278	WSGMC	622,548
DORS Summer Youth	84.126	WSGMC	64,369

**MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2014**

**NOTE 3 – LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS**

The County participates in the Home Investment Partnership Act federal loan program. The balance of loans from previous years and current year loan activity, as required under OMB Circular A-133, are presented in the Schedule of Expenditures of Federal Awards.

**MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2014**

**Part I – Summary of Auditor’s Results**

**Financial Statement Section**

Type of auditor’s report issued: Unmodified

	<u>Yes</u>	<u>No</u>
Internal control over financial reporting:		
Material weakness(es) identified?		X
Significant deficiency(ies) identified not considered to be material weaknesses?		X
Noncompliance material to financial statements noted?		X

**Federal Awards Section**

	<u>Yes</u>	<u>No</u>
Material weakness(es) identified?		X
Significant deficiency(ies) identified not considered to be material weaknesses?		X

Type of auditor’s report on compliance for major programs: Unmodified

	<u>Yes</u>	<u>No</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 section 510(a)?		X

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
12.600	Community Investment
14.218	Community Development Block Grant
14.239	HOME Investment Partnership Program
20.500, 20.507	Federal Transit Cluster
20.519	Clean Fuels
93.525	Affordable Care Act
93.777, 93.778	Medicaid Cluster
97.044	Assistance to Firefighters

Dollar threshold used to determine Type A programs: \$3,000,000

	<u>Yes</u>	<u>No</u>
Auditee qualified as low-risk auditee?		X



**MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2014**  
(Continued)

**Part II – Financial Statement Findings Section**

None noted

**Part III – Federal Award Findings and Questioned Costs Section**

None noted

**MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**June 30, 2014**

**Finding No 2013-01:**

<b>Compliance Requirement:</b>	Allowable Cost and Activity (Internal Control and Compliance)
<b>Program:</b>	Community Development Block Grant
<b>CFDA:</b>	14.218
<b>Type of Finding:</b>	Significant deficiency, Noncompliance
<b>Year:</b>	2013
<b>Federal Agency:</b>	Department of Housing and Urban Development

**Condition/Context:**

We noted that 1 out of 40 program expenditures tested was not allowable in accordance with cost circular A-87. The County used federal funds to pay for an amusement park trip for students attending an academy program, which the County sponsored.

***Views of Responsible Officials and Planned Corrective Actions:***

DHCA concurs with this finding. The subject costs were incurred as part of the education program for the students as indicated by the auditors; however, while the costs were in accordance with the goal of the program, they were not in accordance to the specific guidance of the federal cost circular. To prevent future occurrences, DHCA has reviewed the OMB circular with contract administration staff to ensure that staff is fully apprised of the current interpretation of eligible expenses. Additionally, DHCA has reviewed all active contracts in keeping with this interpretation and has determined that no additional reimbursements or budget line items can be construed as "entertainment." Finally, DHCA is in the process of modifying the Public Service grants Fact Sheet and Funding Policy guidance to specifically note the ineligibility of any expenses that could be construed as "entertainment." The new procedures will be completed prior to any additional contracts being awarded starting with the third quarter of FY14. Luann Korona (240-777-3656) is in charge of ensuring that the new procedures will be followed with every new contract issued.

**Current Year Status: Resolved**

Community Development Block Grant program was selected as a major program for the current year. The County's compliance with the allowable cost and activity requirement was tested without exceptions.

**MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**June 30, 2014**  
(Continued)

**Finding No 2013-02:**

**Compliance Requirement:** Special Test-Quality Inspection (Internal Control and Compliance)  
**Program:** Home Investment Partnership Program  
**CFDA:** 14.239  
**Type of Finding:** Significant deficiency, Noncompliance  
**Year:** 2013  
**Federal Agency:** Department of Housing and Urban Development

**Condition/Context:**

Four out of 17 housing projects selected for tested were not inspected in accordance with federal compliance requirements.

***Views of Responsible Officials and Planned Corrective Actions:***

DHCA concurs with this finding. In the first quarter of FY13, DHCA identified and began to address issues related to timely housing inspections of HOME-funded units. DHCA instituted new procedures for setting up inspection case files and assigning inspections. These procedures have improved the efficiency and timeliness of inspections.

For FY14, DHCA hired an additional staff member to focus on asset management. With this added assistance, DHCA is reviewing its HOME property inspection records to ensure accuracy and to identify and correct issues with the inspection cycle. Additionally, DHCA is setting up case files on a quarterly basis, rather than monthly/bimonthly, to allow for more lead time for inspectors to schedule and conduct inspections, which will ensure timeliness of inspection in those cases where scheduling the inspection proves difficult. These new procedures will be completed and solutions implemented by the end of the third quarter of FY14. Tim Goetzinger (240-7773728) is in charge of completing the new procedures.

**Current Year Status: Resolved**

The Home Investment Partnership Program was selected as a major program for the current year. The County's compliance with quality inspection requirement was tested without exceptions.



Prepared by the:  
Department of Finance  
Division of the Controller  
101 Monroe Street  
Rockville, Maryland  
20850 240-777-8804