

MONTGOMERY COUNTY MARYLAND

Report on Expenditures of Federal Awards



Prepared by the
DEPARTMENT OF FINANCE

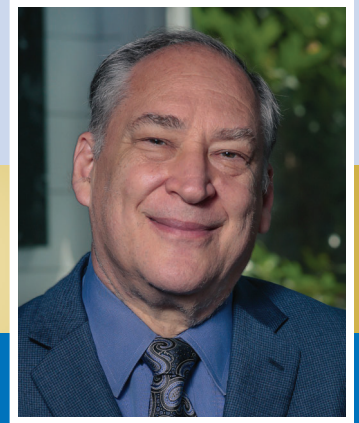
Michael Coveyou, Director
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Rockville, Maryland 20850
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Fiscal Year 2020
July 1, 2019 - June 30, 2020



Vision

A More Equitable and Inclusive Montgomery County



Marc Elrich
MARC ELRICH

Thriving Youth and Families

Children need great schools, supportive families, and caring communities to help them succeed in life. We can give them the start they need by providing adequate funding for public schools, access to affordable early childhood education and expanded high school options, and support for programs that relieve stress on families through increased access to affordable housing and better-paying jobs.

A Growing Economy

A healthy business community is essential to our success. We will reinvigorate the county's direct involvement in economic activities by re-examining our regulations to make sure they are sensible, fair, and efficient; opening support centers that help both new and existing businesses; and developing an incubator and innovation climate to help local entrepreneurs bring their ideas into the world.

A Greener County

We recognize the urgency of global warming and will take concrete steps to address climate change. County government has committed to zero Greenhouse Gas emissions by 2035, an ambitious – but achievable – target. We will reduce our footprint by pursuing clean energy, energy efficiency, enhanced building design, reduction of waste, and developing a better transit system for our residents.

Easier Commutes

Moving people and goods more efficiently is an economic imperative and is essential to our quality of life. We will reduce traffic congestion by improving transit options, supporting Metro, encouraging telecommuting and implementing common-sense road improvements.

An Affordable and Welcoming County for a Lifetime

We will focus on initiatives that make Montgomery County a place where all residents can pursue their dreams regardless of race, ethnicity, age or economic circumstances.

Safe Neighborhoods

We will address crime and pedestrian safety issues and seek input from communities across the county on ways to address these issues. We plan to enhance opportunities for walking, biking, and creating neighborhood gathering places.

Effective, Sustainable Government

We will partner with county employees to make County Government more cost-effective and to deliver services more efficiently and responsively.

www.montgomerycountymd.gov

MONTGOMERY COUNTY, MARYLAND

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

For the Year Ended June 30, 2020



SB & COMPANY, LLC
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JUNE 30, 2020

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements.

Management's Responsibility for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Montgomery County Public Schools, Housing Opportunities Commission of Montgomery County, Montgomery College, Montgomery County Revenue Authority, and Bethesda Urban Partnership, Inc., which represents 100% of the assets, net position and revenues of the component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the County, is based solely on the report of the other auditors. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Bethesda Urban Partnership, Inc. were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information for the general, housing initiative and grants funds, the Consolidated Retiree Health Benefits Trust, Employees' Retirement System, Maryland State Retirement and Pension System, and the notes to required supplementary information 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 and the other auditors have applied certain limited procedures to the required supplementary information 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.



Other 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 introductory and statistical sections, combining and individual fund financial statements, supplementary schedules, and the Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, supplementary schedules and the Schedule of Expenditures of Federal Awards 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 by us and other auditors. In our opinion, based on our audit, the procedures described above, and the reports of the other auditors, the combining and individual fund financial statements, supplementary schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020, 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 18, 2020



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**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***

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

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 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, 2020, 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 18, 2020. Our report includes references to other auditors who audited the financial statements of Montgomery County Public Schools, Housing opportunities Commission of Montgomery County, Montgomery College, Montgomery County Revenue Authority, and Bethesda Urban Partnership Inc., as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

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) to determine the 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 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 controls 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 controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’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 entity’s internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Owings Mills, Maryland
December 18, 2020



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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROLS OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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's) compliance with the types of compliance requirements described 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, 2020. 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.

The County's basic financial statements include the operations of Montgomery County Public Schools, Housing Opportunities Commission of Montgomery County, Montgomery College, and Montgomery County Revenue Authority, which received Federal awards that are not included in the accompanying Schedule of Expenditures of Federal Awards. Our audit, described below, did not include the operations of this entity because auditors were engaged to perform a separate audit in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's 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 compliance audit 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 (CFR) 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 the County'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 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, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001. Our opinion on each major Federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in Section V – Corrective Action Plans. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Controls over Compliance

Management of the County is responsible for establishing and maintaining effective internal controls over compliance with the types of compliance requirements referred to above. In planning and performing our compliance audit, we considered the County's internal controls over compliance with the types of requirements that could have a direct and material effect on each major Federal program as a basis for designing 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 controls over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal controls over compliance.

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 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.



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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.

Our consideration of internal controls 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 controls over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal controls over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001, that we consider to be deficiencies.

The County's response to the internal controls over compliance findings identified in our audit is described in Section V – Corrective Action plans. The County's response was not subjected to the 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.

Owings Mills, Maryland
March 12, 2021

MONTGOMERY COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2020

| Grant Title | Federal CFDA Number | Pass Through Agency | Federal/Pass Through State Grant Number | Total Federal Expenditures | Passed Through to Subrecipients |
|--|---------------------|---|---|----------------------------|---------------------------------|
| Department of Agriculture: | | | | | |
| SNAP Cluster - State Administrative Matching Grant for Food Stamps <i>Total SNAP Cluster</i> | 10.561 | Maryland Department of Human Services | Md. State HB 669 | \$ 8,773,843 8,773,843 | \$ - - |
| Total Department of Agriculture | | | | | |
| Department of Defense - Office of Economic Adjustment: | | | | | |
| Maryland Crossing Route 355 | 12.600 | Direct | Unknown | 15,978,053 | - |
| Total Department of Defense | | | | | |
| Department of Housing and Urban Development: | | | | | |
| CDBG Entitlement Grants Cluster - Community Development Block Grant (CDBG) <i>Total CDBG - Entitlement Grants Cluster</i> | 14.218 | Direct | Unknown | 4,910,812 4,910,812 | 399,609 399,609 |
| Emergency Solutions Grant Program | 14.231 | Direct | Unknown | 630,461 | - |
| Balance of Outstanding Loans as of 06/30/2020 | 14.239 | Direct | Unknown | 39,698,364 | - |
| Home Investment Partnerships Program | 14.239 | Direct | Unknown | 218,622 | - |
| Continuum of Care Homeless Assistance Competition | 14.267 | Direct | Unknown | 293,763 | - |
| Housing for People with AIDS (HOPWA) | 14.241 | Maryland Department of Health | AD698HOP | 1,093,264 | - |
| Homeless Management Information Capacity Building | 14.261 | Maryland Department of Health | MD0431H3G011800 | 1,150 | - |
| Total Department of Housing and Urban Development | | | | 46,846,436 | 399,609 |
| Department of Justice: | | | | | |
| DNA Backlog Award | 16.741 | Direct | 2018-DN-BX-0110 | 129,067 | - |
| Pol Paul Coverdell Award | 16.742 | Direct | CFSL-2018-0002 | 21,676 | - |
| Victim Assistance Services (VOCA) | 16.575 | Governor's Office of Crime Control and Prevention | VOCA-2017-0017 | 27,229 | - |
| Victim Assistance Services (VOCA) | 16.575 | Governor's Office of Crime Control and Prevention | VOCA-2017-0031 | 30,623 | - |
| Victim Assistance Services (VOCA) | 16.575 | Governor's Office of Crime Control and Prevention | VOCA-2017-0037 | 76,820 | - |
| Victim Assistance Services (VOCA) | 16.575 | Governor's Office of Crime Control and Prevention | VOCA-2018-0025 | 109,532 | - |
| Victim Assistance Services (VOCA) | 16.575 | Governor's Office of Crime Control and Prevention | VOCA-2018-0049 | 237,920 | - |
| Victim Assistance Services (VOCA) | 16.575 | Governor's Office of Crime Control and Prevention | VOCA-2018-0113 | 272,031 | - |
| Victim Assistance Services (VOCA) | 16.575 | Governor's Office of Crime Control and Prevention | Unknown | 6,835 | - |
| Lethality Assessment Advocate | 16.588 | Governor's Office of Crime Control and Prevention | VAWA-2018-0021 | 4,068 | - |
| Lethality Assessment Advocate | 16.588 | Governor's Office of Crime Control and Prevention | VAWA-2019-0002 | 42,000 | - |
| Lethality Assessment Advocate | 16.588 | Governor's Office of Crime Control and Prevention | VAWA-2019-0008 | 54,917 | - |
| LETS Training | 16.738 | Governor's Office of Crime Control and Prevention | BINT-2016-0011 | 520 | - |
| Technology Upgrades | 16.738 | Governor's Office of Crime Control and Prevention | BJAG-2016-0020 | 15,735 | - |
| Juvenile Case Management | 16.738 | Governor's Office of Crime Control and Prevention | BJAG-2016-0057 | 25,000 | - |
| Total Department of Justice | | | | 1,053,973 | - |
| Department of Transportation: | | | | | |
| FFY16 Hazardous Materials | 20.703 | Maryland Department of Transportation | 17-GA 8852-05 | 9,000 | - |
| Total Department of Transportation | | | | 9,000 | - |
| Department of the Treasury: | | | | | |
| Coronavirus Relief Fund (CARES) | 21.019 | Direct | Unknown | 27,685,228 | 1,640,000 |
| Total Department of the Treasury | | | | 27,685,228 | 1,640,000 |
| Institute of Museum and Library Services: | | | | | |
| Staff Development Grant | 45.310 | Maryland State Library | 520116 | 4,785 | - |
| Total Institute of Museum and Library Services | | | | 4,785 | - |

MONTGOMERY COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2020

| Grant Title | Federal CFDA Number | Pass Through Agency | Federal/Pass Through State Grant Number | Total Federal Expenditures | Passed Through to Subrecipients |
|--|---------------------|--|---|----------------------------|---------------------------------|
| Department of Education: | | | | | |
| Special Education (IDEA) Cluster - Infants and Families with Disabilities | 84.027 | Maryland State Department of Education | SG-200409 | \$ 615,256 | \$ - |
| Infants and Families with Disabilities | 84.173A | Maryland State Department of Education | SG-200408 | 59,749 | - |
| <i>Total Special Education (IDEA) Cluster</i> | | | | 675,005 | - |
| Infants and Families with Disabilities | 84.181A | Maryland State Department of Education | 170244 | - | - |
| Infants and Families with Disabilities | 84.181A | Maryland State Department of Education | SG164726 | 13,435 | - |
| Infants and Families with Disabilities | 84.181A | Maryland State Department of Education | 190206 | 53,504 | - |
| Infants and Families with Disabilities | 84.181A | Maryland State Department of Education | SG-200410 & 191700 | 1,480,215 | - |
| Infants and Families with Disabilities | 84.287C | Maryland State Department of Education | 191665 | 145,344 | - |
| Total Department of Education | | | | 2,367,503 | - |
| Department of Health and Human Services: | | | | | |
| Systems of Care | 93.104 | Direct | 1HT9SM063396-02M001 | 200,000 | - |
| Systems of Care | 93.104 | Direct | 2002830 | 983,802 | - |
| Head Start | 93.600 | Direct | 03CH9990-04-00 | 8,949 | - |
| Head Start | 93.600 | Direct | 03CH9990-05-00 | 4,330,215 | 3,986,780 |
| Head Start | 93.600 | Direct | 03CH9990-05-00 | 583,016 | - |
| Aging Cluster - | | | | | |
| Title III, Part B - Supportive Services and Senior Centers | 93.044 | Maryland Department of Aging | AAA-14/FY19 | 211,443 | - |
| Title III, Part B - Supportive Services and Senior Centers | 93.044 | Maryland Department of Aging | AAA-14/FY20 | 665,511 | - |
| Title III, Part C - Nutrition Services | 93.045 | Maryland Department of Aging | 650220/14 | 44,720 | - |
| Title III, Part C - Nutrition Services | 93.045 | Maryland Department of Aging | AAA-14/FY19 | 722,136 | - |
| Title III, Part C - Nutrition Services | 93.045 | Maryland Department of Aging | AAA-14/FY20 | 1,117,836 | - |
| Title III, Part C - Nutrition Services | 93.045 | Maryland Department of Aging | Unknown | 141,650 | - |
| Title III, Part C - Nutrition Services | 93.053 | Maryland Department of Aging | Unknown | 19,832 | - |
| Nutrition Service Incentive Program | 93.053 | Maryland Department of Aging | 650519/14 | 105,288 | - |
| Nutrition Service Incentive Program | 93.053 | Maryland Department of Aging | 650520/14 | 205,228 | - |
| <i>Total Aging Cluster</i> | | | | 3,233,644 | - |
| Special Programs for the Aging - Ombudsman Services | 93.041 | Maryland Department of Aging | AAA-14/FY19 | 18,450 | - |
| Special Programs for the Aging - Ombudsman Services | 93.041 | Maryland Department of Aging | AAA-14/FY20 | 62,999 | - |
| Title III, Part D - Supportive Services and Senior Centers | 93.043 | Maryland Department of Aging | AAA-14/FY18 | 80 | - |
| Title III, Part D - Supportive Services and Senior Centers | 93.043 | Maryland Department of Aging | AAA-14/FY19 | 10,943 | - |
| Title III, Part D - Supportive Services and Senior Centers | 93.043 | Maryland Department of Aging | AAA-14/FY20 | 17,325 | - |
| Assistive Technology Grant | 93.048 | Maryland Department of Aging | 65242020/14 | 14,651 | - |
| Assistive Technology Grant | 93.048 | Maryland Department of Aging | 90NWP0007-02-02 | 1,818 | - |
| Senior Medicare Patrol | 93.048 | Maryland Department of Aging | APD 19-07-MAP | 249 | - |
| Title III, Part E (National Family Care Giver Support) | 93.052 | Maryland Department of Aging | 652019/14 | 191,431 | - |
| Title III, Part E (National Family Care Giver Support) | 93.052 | Maryland Department of Aging | 652020/14 | 262,776 | - |
| Medicare Improvement for Patients & Providers (MIPPA) | 93.071 | Maryland Department of Aging | 653719/14 | 20,419 | - |
| State Health Insurance Assistance Program | 93.324 | Maryland Department of Aging | 651520/14 | 80,583 | - |
| Temporary Assistance for Needy Families (TANF) Cluster - Temporary Assistance for Needy Families | 93.558 | Maryland Department of Human Services | Md. State HB 669 | 4,532,270 | - |
| <i>Total Temporary Assistance for Needy Families (TANF) Cluster</i> | | | | 4,532,270 | - |
| Child Care and Development Fund (CCDF) Cluster - | | | | | |
| Preschool Development Birth to Five | 93.434 | Maryland State Department of Education | SG-200530 | 25,000 | - |
| Preschool Development Birth to Five | 93.434 | Maryland State Department of Education | SG-200536 | 44,124 | - |
| Early Childhood Mental Health Consultation For Children Birth to Five | 93.575 | Maryland State Department of Education | 190469 | 6,198 | - |
| Early Childhood Mental Health Consultation For Children Birth to Five | 93.575 | Maryland State Department of Education | SG-200552 | 148,500 | - |
| <i>Total Child Care and Development Fund (CCDF) Cluster</i> | | | | 223,822 | - |

MONTGOMERY COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2020

| Department of Health and Human Services: (continued) | Federal CFDA Number | Pass Through Agency | Federal/Pass Through State Grant Number | Total Federal Expenditures | Passed Through to Subrecipients |
|---|---------------------|--|---|----------------------------|---------------------------------|
| Medicaid Cluster - | | | | | |
| Nursing Home Reimbursement | 93.777 | Maryland Department of Human Services | Unknown | \$ 713,604 | \$ - |
| Title XIX - Certification | 93.778 | Maryland Department of Human Services | Md. State HB 669 | 5,037,114 | - |
| Title XIX - Health Related Services | 93.778 | Maryland Department of Human Services | Md. State HB 669 | 292,722 | - |
| Federal Financial Participation - Title XIX | 93.778 | Maryland Department of Human Services | Unknown | 6,154,574 | - |
| Federal Financial Participation - Title XIX | 93.778 | Maryland Department of Human Services | Unknown | 6,692,289 | - |
| Federal Financial Participation - Title XIX | 93.778 | Maryland Department of Human Services | Unknown | 3,037,826 | - |
| Medical Assistance - Medicaid Transport | 93.778 | Maryland Department of Health | MA366GTS | 1,519,661 | - |
| Parents with Children Eligibility (PWC) | 93.778 | Maryland Department of Health | MA286ACM | 1,722,034 | - |
| Administrative Care Coordination | 93.778 | Maryland Department of Health | MA020EPS | 428,494 | - |
| ACCESS Harm Reduction Grant | 93.778 | Maryland Department of Health | AD793AHR F810N | 151,057 | - |
| SOR MAT in Jail | 93.778 | Maryland Department of Health | BH237SUP-F756N | 40,201 | - |
| MD HLTH - ST | 93.778 | Maryland Health Benefit Exchange | Unknown | 669,532 | - |
| I & T - Clig - Medicaid | 93.778 | Maryland State Department of Education | Unknown | 2,549,663 | - |
| <i>Total Medicaid Cluster</i> | | | | <u>29,008,771</u> | |
| Title IV-E Guardianship | 93.090 | Maryland Department of Human Services | Md. State HB 669 | 656 | - |
| Title IV-D - Child Support | 93.563 | Maryland Department of Human Services | Md. State HB 669 | 28,898 | - |
| Child Support Enforcement | 93.563 | Maryland Department of Human Services | CSA/CRA-19-043 | 583,651 | - |
| Low Income Home Energy Assistance | 93.568 | Maryland Department of Human Services | Md. State HB 669 | 1,125,817 | - |
| Promoting Safe and Stable Families | 93.556 | Maryland Department of Human Services | Md. State HB 669 | 80,617 | - |
| Foster Care Title IV-E Administration | 93.658 | Maryland Department of Human Services | Md. State HB 669 | 2,803,293 | - |
| Title IV-E - Adoption | 93.659 | Maryland Department of Human Services | Md. State HB 669 | 67,400 | - |
| Child Abuse and Neglect | 93.669 | Maryland Department of Human Services | Md. State HB 669 | 5,199 | - |
| Children Insurance Program (CHIP) | 93.767 | Maryland Department of Human Services | Md. State HB 669 | 311,613 | - |
| Public Health Emergency Preparedness | 93.069 | Maryland Department of Health | CH822PHP | 659,271 | - |
| Tuberculosis Control | 93.116 | Maryland Department of Health | CH015TBF | 179,490 | - |
| PATH - Transition from Homelessness | 93.150 | Maryland Department of Health | MH1700TH | 110,804 | - |
| Immunization Cooperative Agreements | 93.268 | Maryland Department of Health | CH354IMM | 329,792 | - |
| Administrative Care Coordination | 93.767 | Maryland Department of Health | MA020EPS | 85,698 | - |
| Parents with Children Eligibility (PWC) | 93.767 | Maryland Department of Health | MA286ACM | 269,449 | - |
| HIV Care Formula | 93.917 | Maryland Department of Health | AD486RWS | 1,237,154 | - |
| Ryan White B Supplemental | 93.917 | Maryland Department of Health | AD804SUP | 599,539 | - |
| HIV Prevention Activities Health Department Based | 93.940 | Maryland Department of Health | AD348PRV | 507,957 | - |
| Sexually Transmitted Disease | 93.940 | Maryland Department of Health | CH632STD | 110,602 | - |
| Community Mental Health Services | 93.958 | Maryland Department of Health | MH2340TH | 551,956 | - |
| Overdose Misuse Prevention | 93.959 | Maryland Department of Health | MU011OMP | 82,044 | - |
| Prevention and Treatment of Substance Abuse | 93.959 | Maryland Department of Health | MU525ADP | 382,342 | - |
| Prevention and Treatment of Substance Abuse | 93.959 | Maryland Department of Health | AS241FED | 515,568 | - |
| Integration of Sexual Health & Recovery | 93.959 | Maryland Department of Health | AD680INT | 48,518 | - |
| HIV Testing in BH | 93.959 | Maryland Department of Health | AD724TBH | 61,427 | - |
| Targeted Health Funding - Maternal and Child Health | 93.994 | Maryland Department of Health | Unknown | 586,793 | - |
| Children with Special Needs - FY20 | 93.994 | Maryland Department of Health | CH501CSN | 77,075 | - |
| Early Detect & Control Breast. | 93.898 | Maryland Department of Health | FH438CBC F676N | 340,328 | - |
| Research and Development Cluster - | | | | | |
| Microbiology Infectious Disease Research - HIV Positive Women | 93.855 | Georgetown University | U01AI034994-24S1 | 89,743 | - |
| Microbiology Infectious Disease Research - HIV Positive Women | 93.855 | Georgetown University | Unknown | 23,083 | - |
| <i>Total Research and Development Cluster</i> | | | | <u>112,826</u> | |

MONTGOMERY COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2020

| Grant Title | Federal CFDA Number | Pass Through Agency | Federal/Pass Through State Grant Number | Total Federal Expenditures | Passed Through to Subrecipients |
|---|---------------------|---|---|----------------------------|---------------------------------|
| Department of Health and Human Services: (continued) | | | | | |
| Community Services Block Grant - FY19 | 93.569 | Maryland Department of Housing and Community Development | Unknown | \$ 98,883 | - |
| Community Services Block Grant - FY20 | 93.569 | Maryland Department of Housing and Community Development | Unknown | 455,854 | - |
| Comp Domestic Violence Svcs | 93.671 | Governor's Office of Crime Control and Prevention | FVPS-2019-0004 | 189,755 | - |
| Ebola Subgrant Award | 93.817 | Maryland Institute for Emergency Medical Services Systems | EMSHCID-002 | 14,625 | - |
| Total Department of Health and Human Services | | | | <u>\$6,401,107</u> | <u>3,986,780</u> |
| Corporation for National and Community Service: | | | | | |
| Retired and Senior Volunteer Program | 94.002 | Direct | 18SRAMD004 | 65,132 | - |
| MILK Grant | 94.014 | Direct | 19MKHMD001 | 40,908 | - |
| Total Corporation for National and Community Service | | | | <u>106,040</u> | <u>-</u> |
| Department of Homeland Security: | | | | | |
| FY20 Hurricane Dorian | 97.025 | Direct | EMW-2018-CA-0053-S01 | 999,999 | - |
| FY20 Tropical Storm Barry | 97.025 | Direct | EMW-2018-CA-USR-0015 | 9,773 | - |
| HURRICANE HARVEY | 97.025 | Direct | 82817 | 28,139 | - |
| FRS 2019 FEMA US&R GRANT | 97.025 | Direct | EMW-2019-CA-00082-S01 | 647,782 | - |
| FRS 2018 FEMA US&R GRANT | 97.025 | Direct | EMW-2018-CA-0053 | 352,783 | - |
| FRS 2017 FEMA US&R GRANT | 97.025 | Direct | EMW-2017-CA-00078-S01 | 107,497 | - |
| FRS 2015 FEMA US&R GRANT | 97.025 | Direct | EMW2015CA00012S01 | 20,888 | - |
| FRS 2016 FEMA US&R GRANT | 97.025 | Direct | EMW-2016-CA-00029 | 287,050 | - |
| FRS FY16 SAFER GRANT | 97.083 | Direct | EMW-2016-FH-00482 | 482,527 | - |
| FFY17 SWAT | 97.067 | DC - Homeland Security and Emergency Management Agency | 17UASIS535-08 | 419,356 | - |
| FFY17 Remote Awareness | 97.067 | DC - Homeland Security and Emergency Management Agency | 17UASIS535-09 | 32,257 | - |
| FFY17 Generators | 97.067 | DC - Homeland Security and Emergency Management Agency | 17UASIS535-10 | 50,000 | - |
| FFY17 Disaster Recovery | 97.067 | DC - Homeland Security and Emergency Management Agency | 17UASIS535-11 | 55,465 | - |
| FFY17 Emergency Vehicle | 97.067 | DC - Homeland Security and Emergency Management Agency | 17UASIS535-17 | 51,837 | - |
| FFY17 Tacicle | 97.067 | DC - Homeland Security and Emergency Management Agency | 17UASIS535-18 | 462,989 | - |
| FFY17 Radio Cache | 97.067 | DC - Homeland Security and Emergency Management Agency | 17UASIS535-19 | 2,000,000 | - |
| FFY18 Regional Preparedness | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-01 | 288,351 | - |
| FFY18 Volunteers | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-02 | 168,763 | - |
| FFY18 Linx | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-03 | 1,090,943 | - |
| FFY18 TECC Kits | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-04 | 110,741 | - |
| FFY18 Linx | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-05 | 816 | - |
| FFY18 Radio Cache | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-06 | 78,371 | - |
| FFY18 Medical Resource | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-07 | 25,956 | - |
| FFY18 Emergency Management | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-08 | 22,936 | - |
| FFY18 Unmanned Aerial | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-10 | 76,346 | - |
| FFY18 Incident Command MDERS | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-11 | 122,044 | - |
| FFY18 Tactical Equipment | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-12 | 272,017 | - |
| FFY18 FRS Operations | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-13 | 62,381 | - |
| FFY18 EOC Planning & Exercises | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-14 | 149,959 | - |
| FFY18 EOC Upgrades & Field Op | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-15 | 149,549 | - |
| FFY18 Radio Cache | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-16 | 49,861 | - |
| 2019 Regional Preparedness | 97.067 | DC - Homeland Security and Emergency Management Agency | 18UASIS535-17 | 2,199,310 | - |
| 2019 Volunteer | 97.067 | DC - Homeland Security and Emergency Management Agency | 19UASIS535-01 | 342,339 | - |
| | | | 19UASIS535-02 | 15,855 | - |

MONTGOMERY COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020**

| Grant Title | Federal CFDA Number | Pass Through Agency | Federal/Pass Through State Grant Number | Total Federal Expenditures | Passed Through to Subrecipients |
|---|---------------------|--|---|----------------------------|---------------------------------|
| Department of Homeland Security: (continued) | | | | | |
| 2019 LinX | 97.067 | DC - Homeland Security and Emergency Management Agency | 19UASI535-03 | \$ 46,132 | \$ - |
| 2019 Radio Cache | 97.067 | DC - Homeland Security and Emergency Management Agency | 19UASI535-04 | 5,372 | - |
| 2019 Unmanned Aerial Systems | 97.067 | DC - Homeland Security and Emergency Management Agency | 19UASI535-08 | 8,012 | - |
| 2019 Tactical Equip for LE | 97.067 | DC - Homeland Security and Emergency Management Agency | 19UASI535-11 | 121,247 | - |
| 2019 Disaster Recovery Plan | 97.067 | DC - Homeland Security and Emergency Management Agency | 19UASI535-12 | 28,764 | - |
| 2019 Program Administration | 97.067 | DC - Homeland Security and Emergency Management Agency | 19UASI535-13 | 26,628 | - |
| Emergency Management Performance | 97.042 | Maryland Emergency Management Agency | 19-SR-8852-02 | 261,792 | - |
| Emergency Management Performance | 97.042 | Maryland Emergency Management Agency | 20-SR-8852-01 | 135,634 | - |
| State Homeland Security Grant Program | 97.067 | Maryland Emergency Management Agency | 18-SR8852-02 | 203,548 | - |
| FFY18-Baltimore Linx- Law -MEMA Grant | 97.067 | Maryland Emergency Management Agency | 18-SR 8852-04 | 100,000 | - |
| 2019 SHSP | 97.067 | Maryland Emergency Management Agency | 19-SR8852-01 | 117,172 | - |
| 2019 UASI Linx Baltimore | 97.067 | Maryland Emergency Management Agency | 19-SR8852-04 | 100,000 | - |
| Total Department of Homeland Security | | | | <u>12,389,181</u> | <u>-</u> |
| Total Expenditures of Federal Awards | | | | <u>\$ 171,615,149</u> | <u>\$ 6,026,389</u> |

MONTGOMERY COUNTY, MARYLAND

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2020

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 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 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). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted below. These programs represent Federal award programs for fiscal year 2020 cash and non-cash expenditures to ensure coverage of at least 20% of Federally granted funds. Actual coverage is 70% of total cash and non-cash Federal award program expenditures.

| <u>Federal Department / Grant Title</u> | <u>CFDA Number</u> | <u>Federal Expenditures</u> |
|---|--------------------|-----------------------------|
| U.S. Department of Defense | | |
| Maryland Crossing Route 355 | 12.600 | \$ 15,978,053 |
| U.S. Department of Housing and Urban Development | | |
| CDBG - Entitlement Grants Cluster | 14.218 | 4,910,812 |
| Home Investment Partnerships Program | 14.239 | 39,916,986 |
| U.S. Department of Treasury | | |
| Coronavirus Relief Fund (CARES) | 21.019 | 27,685,228 |
| U.S. Department of Health and Human Services | | |
| Medicaid Cluster | 93.777/93.778 | 29,008,771 |
| U.S. Department of Homeland Security | | |
| National Urban Search and Rescue (US&R) Response System | 97.025 | 2,453,911 |
| | | <u>\$ 119,953,761</u> |

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.

2. 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 the Uniform Guidance, are presented in the Schedule.

MONTGOMERY COUNTY, MARYLAND

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2020

3. MARYLAND STATE DEPARTMENT OF EDUCATION (MSDE)

MSDE awarded grants from two different Federal agencies. The total Federal expenditures passed-through MSDE for the year ended June 30, 2020 was \$5,140,988. The expenditures are presented in the Schedule under the Department of Education (CFDA numbers 84.027, 84.173A, 84.181A, 84.287C) and the Department of Health and Human Services (CFDA numbers 93.434, 93.575, 93.778).

4. INDIRECT COST

The County did not elect to use the 10-percent de minimis cost rate for indirect costs.

MONTGOMERY COUNTY, MARYLAND

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2020

Section I – Summary of Independent Public Accountant’s Results

Financial Statements

| | |
|--|---------------|
| Type of Independent Public Accountants’ report issued: | Unmodified |
| Internal controls over financial reporting: | |
| Material weakness(es) identified? | No |
| Significant deficiencies? | None reported |
| Noncompliance material to financial statements? | No |

Federal Awards

| | |
|--|------------|
| Type of Independent Public Accountants’ report issued on compliance for major program: | Unmodified |
| Internal controls over major program: | |
| Material weakness(es) identified? | No |
| Significant deficiencies? | No |
| Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) of the Uniform Guidance? | Yes |

Identification of Major Programs:

| Major Programs | Federal CFDA Number | Federal Expenditures |
|---|---------------------|----------------------|
| U.S. Department of Defense | | |
| Community Investment | 12.600 | \$ 15,978,053 |
| U.S. Department of Housing and Urban Development | | |
| CDBG Cluster | 14.218 | 4,910,812 |
| Home Investment Partnerships Program | 14.239 | 39,916,986 |
| U.S. Department of Treasury | | |
| Coronavirus Relief Funding (CARES) | 21.019 | 27,685,228 |
| U.S. Department of Health and Human Services | | |
| Medicaid Cluster | 93.777/93.778 | 29,008,771 |
| U.S. Department of Homeland Security | | |
| National Urban Search and Rescue (US&R) Response System | 97.025 | 2,453,911 |
| | | \$ 119,953,761 |
| Threshold for disinguishing between Type A and B programs | | \$ 3,000,000 |
| Did the County qualify as a low risk auditee? | | Yes |

MONTGOMERY COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

Section II - Financial Statement Findings

None noted.

MONTGOMERY COUNTY, MARYLAND

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2020

Section III - Federal Award Findings and Questioned Costs

Finding 2020-001

U.S. Department of Homeland Security CFDA 97.025 - National Urban Search and Rescue (US&R) Response System Deficiency over Reporting Repeat Findings: No

Criteria:

In accordance with 2 CFR §200.303: The non-Federal entity must: (a) Establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with the guidance in *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States and *Internal Control - Integrated Framework* issued by the Committee of Sponsor Organizations of the Treadway Commission (COSO).

In accordance with 2 CFR 200.302: Financial management. (a) Each State must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition and Context:

We were unable to agree the expenditures reported in the Final SF-425 Federal Financial Report to the amount recorded in the general ledger.

Cause:

The County provided the General Ledger backup support of the grant expenditures for the Final SF-425 Federal Financial Report submitted for grant EMW-2016-CA-00029 for the period end August 31, 2019 that did not support the amount reported. We identified a variance of \$142,080.78 between amount reported and amount supported by General Ledger.

Effect or Potential Effect:

The County may have incorrectly reported expenditures. Failure to comply with grant award requirements could jeopardize future funding.

Questioned Costs:

None.

MONTGOMERY COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

Section III - Federal Award Findings and Questioned Costs (continued)

Finding 2020-001 (continued)

Recommendation:

We recommend the County to establish and implement a review process to ensure the amounts reported as expenditures are properly supported to comply with reporting requirements.

Views of Responsible Officials:

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

MONTGOMERY COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

Section IV – Prior Year Findings and Questioned Costs

There were no prior year findings in the June 30, 2019 Single Audit report.

MONTGOMERY COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

Section V –Corrective Action Plan

Marc Elrich
County Executive



Michael Coveyou
Director

DEPARTMENT OF FINANCE

March 12, 2021

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
For the Year Ended June 30, 2020**

| Finding Number | Planned Corrective Plan | Anticipated Completion Date | Responsible Contact Person |
|----------------|--|-----------------------------|--|
| 2020-001 | The Department of Finance has informed the Department of Fire and Rescue Service that all financial grant reports will be prepared, approved and submitted to granting agencies by the Division of the Controller. | March 12, 2021 | Mauricio Delgado, Grants Supervisor |

Office of the Director

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Prepared by the:
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Division of the Controller
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