

# MONTGOMERY COUNTY MARYLAND

## *Report on Expenditures of Federal Awards*



*Fiscal Year 2007*

**July 1, 2006 - June 30, 2007**  
**Rockville, Maryland**

# MONTGOMERY COUNTY MARYLAND

## *Report on Expenditures of Federal Awards*



Prepared by the  
Department of Finance

Jennifer E. Barrett, Director  
101 Monroe Street  
Rockville, Maryland 20850  
240-777-8860

Fiscal Year 2007  
July 1, 2006 - June 30, 2007

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KPMG LLP  
2001 M Street, NW  
Washington, DC 20036

**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:

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 (County) as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 7, 2007. Our report was modified to include reference to 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. Other auditors audited the financial statements of the Montgomery County Public Schools, the Housing Opportunities Commission, the Montgomery Community College, the Montgomery County Revenue Authority, and the 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 control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of the County in a separate letter dated December 7, 2007.

This report is intended solely for the information and use of the County Council members, County management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

December 7, 2007



**KPMG LLP**  
2001 M Street, NW  
Washington, DC 20036

## **Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133**

The Honorable County Council  
Montgomery County, Maryland:

### **Compliance**

We have audited the compliance of Montgomery County, Maryland (the County), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

### **Internal Control over Compliance**

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2007, and have issued our report thereon dated December 7, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. We did not audit the financial statements of the Montgomery County Public Schools, the Housing Opportunities Commission, the Montgomery Community College, the Montgomery County Revenue Authority, and the Bethesda Urban Partnership, Inc., which represent 100% of the total assets, revenues and net assets of the aggregate discretely presented component units. 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the County Council members, County management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*KPMG LLP*

December 7, 2007

**MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
<b>Office of National Drug Control Policy</b>			
Pass Through Programs From:			
University of Maryland			
High Intensity Drug Trafficking Area (HIDTA)	07	Z988302	\$ 89
High Intensity Drug Trafficking Area (HIDTA)	07	Z903012	61,107
High Intensity Drug Trafficking Area (HIDTA)	07	Z914102	38,879
<b>Total Office of National Drug Control Policy</b>			<b>\$ 100,075</b>
<b>U. S. Department of Agriculture</b>			
Pass Through Programs From:			
Maryland State Department of Human Resources			
State Administrative Matching Grant for Food Stamps	10.561	Md. House Bill 669	\$ 3,056,377
Emergency Food Assistance Program (Administrative Costs)	10.568	CSA/FNS-06-016	7,580
Emergency Food Assistance Program (Administrative Costs)	10.568	CSA/FNS-07-016	23,180
Emergency Food Assistance Program (Food Commodities)	10.569	Food Bank	245,796
<b>Total U. S. Department of Agriculture</b>			<b>\$ 3,332,933</b>
<b>U. S. Department of Defense</b>			
Direct Programs:			
Base Realignment and Closure	12.607	RA0625-06-01	\$ 4,151
<b>Total U. S. Department of Defense</b>			<b>\$ 4,151</b>
<b>U. S. Department of Housing and Urban Development</b>			
Direct Programs:			
Community Development Block Grant (CDBG)	14.218	-	\$ 7,067,574
Emergency Shelter Program	14.231	-	318,441
HOME Investment Partnership	14.239	-	872,909
HOME Investment Partnership	14.239	-	18,775,222
Balance of 06/30/2006 Outstanding Loans as of 06/30/2007	14.239	-	309,925
CDBG - Economic Development Initiative	14.246	-	27,344,071
Subtotal Direct Programs			27,344,071
Pass Through Programs From:			
Housing Opportunities Commission of Montgomery County			
Supportive Housing Program	14.235	91-224 #15	47,382
City of Gaithersburg			
Housing for Citizens with AIDS	14.241	MDH04F002	400,242
Subtotal Pass Through Programs			447,624
<b>Total U. S. Department of Housing and Urban Development</b>			<b>\$ 27,791,695</b>
<b>U. S. Department of Justice</b>			
Direct Programs:			
Asset Forfeiture	16	-	\$ 23,725
Gang Prevention Initiative	16.541	2006-JLFX0077	203,092
Crossroads - Earmark Gang Prevention Grant	16.541	2006-JLFX0077	370,211
Byrne Memorial State and Local Law Enforcement Assistance	16.580	-	1,246,501
Increasing Awareness of Victims' Rights in High Crime, Heavily Populated, Immigrants Communities	16.582	2005-VF-GF-K028	46,283
Encourage Arrest Policies	16.590	2005-WE-AX-0096	435,403
Local Law Enforcement Block Grant	16.592	-	4,740
Joint Terrorist Force	16.595	66F-BA-A101489-B	105,822
State Criminal Alien Assistance Program (SCAAP)	16.606	-	964,401
Bulletproof Vest Partnership Grant	16.607	-	73,574
Public Safety Partnership and Community Policing (PSPCP)	16.710	-	94,119
(PSPCP) - Equipment Upgrade Program	16.710	2005-CKWX-0422	1,740,398
Subtotal Direct Programs			5,308,269

(Continued)



**MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
Pass Through Programs From: U.S. Department of Justice (concluded):			
Maryland State Department of Human Resources			
Crime Victim Assistance	16.575	Md. House Bill 669	257,941
Crime Victim Assistance	16.575	CSA/CVA 04-001	275,411
Crime Victim Assistance	16.575	CSA/CVA 04-001	109,930
Victims of Crime Assistance - Child Assessment	16.575	CSA/CVA 04-001	28,494
State of Maryland, Office of the Governor			
Paul Coverdell National Forensic Sciences Program	16.560	NFSL-2005-1008	368,197
Violence Against Women	16.588	VAWA-2004-1012	20,356
Violence Against Women	16.588	VAWA-2005-1012	67,174
Violence Against Women	16.588	VAWA-2005-1160	7,068
Violence Against Women	16.588	VAWA-2006-1160	20,831
Byrne Formula Program	16.738	BYRN-2004-1067	80,000
Byrne Formula Program	16.738	BJAG-2005-1067	34,735
Byrne Formula Program	16.738	BYRN-2004-1066	46,960
Byrne Formula Program	16.738	BJAG-2005-1066	124,415
Byrne Formula Program	16.738	BJAG-2005-1035	19,645
Project Safe Neighborhood Initiative - Anti-Gang Initiative	16.744	PSNI-2006-1007	5,344
Subtotal Pass Through Programs			<u>1,466,501</u>
<b>Total U. S. Department of Justice</b>			<b>\$ 6,774,770</b>
<b>U. S. Department of Labor</b>			
Pass Through Programs From:			
State Department of Labor, Licensing and Regulation			
Workforce Investment Act (WIA)			
WIA - Adult Program	17.258	5200014-B	\$ 394,153
WIA - Administration	17.258	5200014-B	77,853
WIA - Youth Activities	17.259	5200014-A	258,043
WIA - Incentives Grant	17.259	5200014-A	51,419
WIA - Incentive - State Wide	17.259	5200014-A	2,005
WIA - Incentive - Health Care	17.259	5200014-A	12,421
WIA - Incentive - Youth Activities	17.259	5200014-A	71,739
WIA - Dislocated Workers	17.260	5200014-A	95,624
WIA - Dislocated Workers	17.260	4200012-A	682,583
WIA - Rapid Response - Early Intervention	17.261	5200064	119,241
Disability Navigator Grant	17.266	5200078	195,924
Maryland Incumbent Worker	17.267	5200052	69,850
FY07 Maryland Workers Reentry Program	17.579	BYRN-2003-1070	66,769
Employees with Disabilities Program	17.720	-	283,656
Disabled Veterans	17.805	E-9-5-6-0061	22,884
National Association of Services and Conservation Corps			
Civic Justice Corps Grant	17.261	YF15595-06-60	330
<b>Total U. S. Department of Labor</b>			<b>\$ 2,404,494</b>

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**MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
<b>U. S. Department of Transportation</b>			
Pass Through Programs From:			
Maryland State Department of Transportation			
Highway Planning and Construction	20.205	Bridge Design	\$ 8,197,571
Commercial Vehicle Safety (State Highway Administration)	20.218	-	17,300
Federal Transit Formula Grants	20.507	MD-909090.09	357,667
State and Community Highway Safety	20.605	04-165	104,639
State and Community Highway Safety	20.605	05-165	169,586
Metropolitan Washington Council of Governments			
Transit Technical Studies	20.505	03-007	<u>152,706</u>
<b>Total U. S. Department of Transportation</b>			<b><u>\$ 8,999,469</u></b>
<b>U. S. Department of the Treasury</b>			
Direct Programs:			
Metro Alien Task Force Asset Forfeiture - Secret Service	21	-	<u>\$ 19,898</u>
<b>Total U. S. Department of the Treasury</b>			<b><u>\$ 19,898</u></b>
<b>National Foundation on the Arts and the Humanities</b>			
Pass Through Programs From:			
Maryland State Department of Education			
State Library Program	45.310	700991	\$ 16,037
State Library Program	45.310	601161	18,421
State Library Program	45.310	702028	47,076
NASA - Space Science Information	45.310	602259	<u>853</u>
<b>Total National Foundation on the Arts and the Humanities</b>			<b><u>\$ 82,387</u></b>
<b>U. S. Environmental Protection Agency</b>			
Pass Through Programs From:			
National Fish and Wildlife Foundation			
FY06 Chesapeake Bay Small Watershed Program	66.606	2005-0001-071	\$ 10,183
FY06 Pilot Watershed Pilot Program	66.606	X-97322101	<u>55</u>
<b>Total U. S. Environmental Protection Agency</b>			<b><u>\$ 10,238</u></b>
<b>U. S. Department of Energy</b>			
Pass Through Programs From:			
Maryland Department of Housing and Community Development			
Weatherization Assistance for Low-Income Persons	81.042	Weatherization	<u>\$ 194,850</u>
<b>Total U. S. Department of Energy</b>			<b><u>\$ 194,850</u></b>
<b>U. S. Department of Education</b>			
Pass Through Programs From:			
Maryland State Department of Education			
Special Education - Grants to States	84.027	SG700416-002	\$ 211,707
Infants and Families with Disabilities	84.173	SG700416-003	9,000
Infants and Families with Disabilities	84.181	SG600705-003	1,104
Infants and Families with Disabilities	84.181	SG701929-001	174,179
Infants and Families with Disabilities	84.181	SG700416-002	499,342
Infants and Families with Disabilities	84.181	SG700416-001	357,460
Montgomery County Public Schools			
Safe Schools, Healthy Kids	84.184	Q184L030339-04	<u>32,182</u>
<b>Total U. S. Department of Education</b>			<b><u>\$ 1,284,974</u></b>

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**MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued**  
**FOR THE YEAR ENDED JUNE 30, 2007**

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</b>			
Direct Programs:			
Medical Reserve Corps	93.008	-	\$ 26,535
Community Mental Health Services for Children	93.104	-	126,523
Head Start	93.600	-	4,279,299
Subtotal Direct Programs			<u>4,432,357</u>
Pass Through Programs From:			
Maryland State Office on Aging			
Special Programs for the Aging - Ombudsman Services	93.042	AAA-3-24-014	121,986
National Family Care Giver Support	93.052	AAA-3-24-014	314,405
Elderly Refugee Grant	93.056	ST-2517-011	5,353
Programs for the Aging Cluster:			
Title III, Part D - Disease Prevention & Health Promotion Services	93.043	AAA-3-24-014	\$ 54,794
Title III, Part B - Supportive Services and Senior Centers	93.044	AAA-3-24-014	581,702
Title III, Part C - Nutrition Services	93.045	AAA-3-24-014	<u>1,115,601</u>
Subtotal Aging Programs Cluster			1,752,097
Medical Waiver for Older Adults - Administrative Billing	93.778	-	443,442
Health Care Financing Research	93.779	ST-2515-014/005	75,622
Maryland State Department of Human Resources			
Batterers - Centers for Disease Control	93.136	CSA/RC-03-004	46,216
Family Preservation	93.556	Md. State HB 669	202,375
Temporary Assistance for Needy Families	93.558	Md. State HB 669	3,364,837
Title IV-D - Child Support	93.563	Md. State HB 669	641,322
Child Support and Enforcement	93.563	CSEA/CR-04-043-A1	656,333
Refugees - (Cash, Medical and Administrative )	93.566	Md. State HB 669	74,204
Low Income Home Energy Assistance	93.568	Md. State HB 669	628,901
Child Care and Development Fund (CCDF)	93.575	Md. State HB 669	1,298,832
Child Care and Development Fund (CCDF)	93.575	CCA-RR-98-101	1,395
Child Care Mandatory & Matching Funds of the CCDF	93.596	Md. State HB 669	166,501
Educational Training Vouchers	93.599	Md. State HB 669	41,278
Child Welfare Services	93.645	Md. State HB 669	306,919
Foster Care Title IV-E	93.658	Md. State HB 669	20,219
Title IV-E - Training	93.658	Md. State HB 669	8,735,500
Title IV-E - Administration	93.658	Md. State HB 669	252,720
Title IV-E - Adoption	93.659	Md. State HB 669	50,030
Title XX - Social Services Block Grant	93.667	Md. State HB 669	5,184,025
Family Violence Prevention and Services	93.671	CSA/DV-06-021	182,000
Independent Living	93.674	Md. State HB 669	5,470
Title XIX - Certification	93.778	Md. State HB 669	4,484,684
Title XIX - Health Related Services	93.778	Md. State HB 669	2,339,695
Maryland State Department of Housing and Community Development			
Weatherization Program - Furnace Replacement	93.568	-	127,358
Community Services Block Grant	93.569	DCA/OCA-10-03-013	161,762
Community Services Block Grant	93.569	DCA/OCA-10-03-013	319,236
Georgetown University			
Microbiology Infectious Disease Research	93.855	RX4335-022MC	76,546
Microbiology Infectious Disease Research	93.856	RX4335-022MC	55,609
Prince Georges County			
HIV Emergency Relief	93.914	C-1263-05	1,158,919
HIV Emergency Relief	93.914	C-0964-07	404,500
Maryland State Department of Health and Mental Hygiene			
Refugee Health	93	CH421REF	177,348
Tuberculosis Control	93.116	CH015TBF	331,930
Transition from Homelessness	93.150	MH1700TH	109,363
Immunization Grants	93.268	CH354IMM	417,862
Disease Control and Prevention (DCP)			
DCP - Investigations and Technical Assistance	93.283	FH438CBC	566,788
DCP - Investigations and Technical Assistance	93.283	CH822PHP	1,035,499
DCP - Investigations and Technical Assistance	93.283	FH-505-PCT	10,000
DCP - Investigations and Technical Assistance	93.283	5646110101AA	475,589
DCP - Asthma / Steps	93.283	CH-845-AST	20,000
State Children's Insurance Program	93.767	MA286ACM	570,909

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**MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
Pass Through Programs From: U. S. Department of Health and Human Services (concluded):			
Maryland State Department of Health and Mental Hygiene			
Programs for the Medicaid Cluster:			
State Survey and Certification of Health Care Providers	93.777	Nursing Care	\$ 412,066
Medical Assistance - Medicaid Transport	93.778	MA-366-GTS	1,327,051
Service Coordination	93.778	MR006MRC	1,288,402
Medical Assistance	93.778	MA-286-ACM	162,839
Medical Assistance	93.778	MA020EPS	<u>352,500</u>
Subtotal Medicaid Cluster			3,542,858
HIV Care Formula	93.917	AD486RWS	721,188
HIV Prevention	93.940	AD348CTR	229,117
HIV Prevention	93.940	AD506HER	263,824
Community Mental Health Services	93.958	MH234OTH	774,182
Prevention and Treatment of Substance Abuse	93.959	MU525ADP	186,233
Prevention and Treatment of Substance Abuse	93.959	MU171MPI	99,412
Prevention and Treatment of Substance Abuse	93.959	AS018MBG	812,172
Prevention and Treatment of Substance Abuse	93.959	MU615HRY	144,045
Preventive Health Services, Sexually Transmitted Diseases Control Grants	93.977	CH-A07-STD	1,905
Preventive Health Services Block Grant	93.991	FH-490-NRR	45,097
Preventive Health Services Block Grant	93.991	FH-391-IPP	5,973
Maternal and Child Health Services	93.994	CH567CFT	370,849
Maternal and Child Health Services	93.994	CH501CSN	79,492
Maternal and Child Health Services	93.994	FH886IPO	70,211
State of Maryland, Office of the Governor			
University of Maryland Center for Health Disparities Research	93.307	5P60MD000532-02	<u>10,976</u>
Subtotal Pass Through Programs			<u>44,773,113</u>
<b>Total U. S. Department of Health and Human Services</b>			<b>\$ 49,205,470</b>
<b>Corporation for National and Community Service</b>			
Direct Programs:			
Retired and Senior Volunteer Program	94.002	-	<u>\$ 83,796</u>
<b>Total Corporation for National and Community Service</b>			<b>\$ 83,796</b>
<b>U. S. Department of Homeland Security</b>			
Direct Programs:			
FF'06 Flood Funding Received	97.029	-	<u>\$ 1,436,717</u>
Subtotal Direct Programs			<u>1,436,717</u>
Pass Through Programs From:			
District of Columbia - Office of the Deputy Mayor for Public Safety			
Urban Area Search Initiative	97.008	-	204,391
Homeland Security Grant Program	97.067	-	7,733,824
Maryland Emergency Management Agency			
National Urban Search and Rescue Response System	97.025	-	362,009
Public Assistance Grant (Hurricane Katrina)	97.036	-	500
Chesapeake Bay Small Watershed Grant	97.041	2005-0001-071	27,049
Emergency Management Preparedness - Training	97.042	-	113,855
Assistance to Fire Fighters	97.044	-	105,963
FY05 Buffer Zone Protection Program	97.078	-	96,920
Safer Grant	97.083	EMW-2006-FF-03999	<u>95,730</u>
Subtotal Pass Through Programs			<u>8,740,241</u>
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 10,176,958</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 110,466,159</b>

The accompanying notes are an integral part of this Schedule.

**MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**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 (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:

Program Title	CFDA Number	Subrecipient Name	Amount Provided to Subrecipients
Head Start	93.600	Montgomery County Public Schools	\$ 3,221,126
Infants and Toddlers	84.027	Montgomery County Public Schools	211,707
	84.181	Montgomery County Public Schools	357,460
High Intensity Drug Trafficking Area	07	YMCA of Greater Washington	80,856
Community Development Block Grant (CDBG)			
CDBG	14.218	City of Rockville	274,773
CDBG	14.218	City of Takoma Park	159,950
Workforce Investment Act			
Adult Program	17.258	Career Transition Center	430,321
Youth Activities	17.259	Career Transition Center	69,970
Youth Activities	17.259	Latin American Youth Center	204,082
Youth Activities	17.259	Transcen, Inc	36,544
State Wide - Incentive	17.259	Career Transition Center	71,739
Dislocated Workers	17.260	Career Transition Center	701,425
Dislocated Workers	17.260	Latin American Youth Center	18,012
Dislocated Workers	17.260	Transcen, Inc	18,012
Early Intervention	17.261	Career Transition Center	119,241
Disability Navigator Grant	17.266	Career Transition Center	173,179
Disability Navigator Grant	17.266	Transcen, Inc.	22,745
Maryland Incumbent Worker	17.267	Career Transition Center	69,850
Maryland Works Reentry	17.579	Career Transition Center	66,769
Employees with Disabilities Program (MCEP)			
MCEP	17.720	Transcen, Inc.	283,656

**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.

**MONTGOMERY COUNTY, MARYLAND**

Schedule of Findings and Questioned Costs

Year ended June 30, 2007

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

***Financial Statements***

Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified:	None
Significant Deficiency (s) identified that are not considered to be material weakness:	None reported
Noncompliance material to financial statements:	None

***Federal Awards***

Internal control over major programs:	
Material weakness(es) identified:	None
Significant Deficiency (s) identified that are not considered to be material weaknesses:	None reported
Type of auditors’ report issued on compliance for major programs:	Unqualified
Audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133:	None

Identification of major programs:

<u>CFDA number</u>	<u>Name of federal program or cluster</u>
93.600	Head Start
10.561	State Administrative Matching Grant for Food Stamps
93.558	Temporary Assistance for Needy Families
14.239	HOME Investment Partnership

Dollar threshold used to distinguish between type A and type B programs:	\$2,750,728
Auditee qualified as low-risk auditee:	Yes

**Section II – Financial Statement Findings**

No matters were reported.

**Section III – Federal Awards Findings and Questioned Costs**

No matters were reported.



**Prepared by the:  
Department of Finance  
Division of the Controller  
101 Monroe Street  
Rockville, Maryland 20850  
240-777-8860**