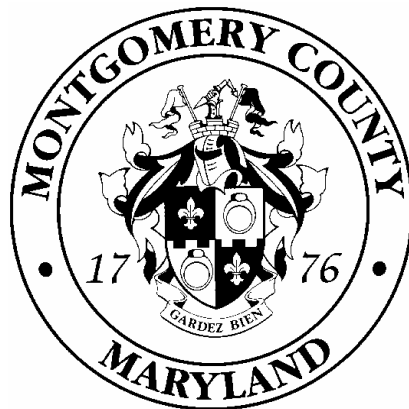


MONTGOMERY COUNTY MARYLAND

Report on Expenditures of Federal Awards



Fiscal Year 2009

July 1, 2008 - June 30, 2009
Rockville, Maryland

MONTGOMERY COUNTY MARYLAND

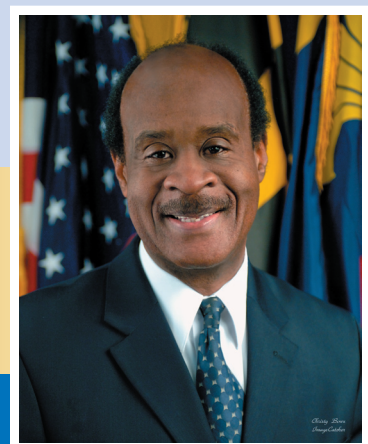
Report on Expenditures of Federal Awards



Prepared by the
Department of Finance

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

Fiscal Year 2009
July 1, 2008 - June 30, 2009



Isiah Leggett
ISIAH LEGGETT

Mission Statement

MONTGOMERY COUNTY GOVERNMENT

WE pursue the common good by working for and with Montgomery County's diverse community members to provide:

- A Responsive and Accountable County Government
- Affordable Housing in an Inclusive Community
- An Effective and Efficient Transportation Network
- Children Prepared to Live and Learn
- Healthy and Sustainable Communities
- Safe Streets and Secure Neighborhoods
- A Strong and Vibrant Economy
- Vital Living for All of Our Residents

AS dedicated public servants, the employees of the Montgomery County government strive to embody in our work these essential values:

- Collaboration
- Inclusiveness
- Knowledge
- Competence
- Innovation
- Respect for the Individual
- Fiscal Prudence
- Integrity
- Transparency

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**Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

The Honorable County Council
of Montgomery County, Maryland
Rockville, 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 (the County) as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 24, 2009. The financial statements of Montgomery Community College, Montgomery County Revenue Authority and Bethesda Urban Partnership, Inc., were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for these entities, are based solely on the reports of 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that is considered to be a significant deficiency.

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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described as item 09-01 in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

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 entity'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. However, we believe that the significant deficiency described as item 09-01 is not a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the County in a separate letter dated December 24, 2009.

Management's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit management's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Council, management, others within the County, 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.

Clifton Gunderson LLP

Baltimore, Maryland
December 24, 2009

**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance and Schedule of Expenditures of Federal Awards
in Accordance With OMB Circular A-133**

The Honorable County Council
of Montgomery County, Maryland
Rockville, 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, 2009. The County's major federal programs are identified in the summary of auditor's 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.

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 Bethesda Urban Partnership, Inc., 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, 2009. We and other auditors were separately engaged to perform and have separately reported on the results of our audits of the Montgomery County Public Schools, Montgomery Community College, Montgomery County Revenue Authority, Housing Opportunities Commission of Montgomery County, and Bethesda Urban Partnership, Inc. in accordance with OMB Circular A-133, if required.

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, 2009.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the 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 the 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 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, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 24, 2009. The financial statements of Montgomery Community College, Montgomery County Revenue Authority and Bethesda Urban Partnership, Inc., were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for these entities are based solely on the reports of other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. 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, management, others within the County, 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.

Clifton Henderson LLP

Baltimore, Maryland
December 24, 2009

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
Office of National Drug Control Policy			
Pass Through Programs From:			
University of Maryland High Intensity Drug Trafficking Area (HIDTA)	07	Z926201	\$ 7,156
Total Office of National Drug Control Policy			\$ 7,156
U. S. Department of Agriculture			
Pass Through Programs From:			
Maryland State Department of Human Resources State Administrative Matching Grant for Food Stamps	10.561	Md. House Bill 669	\$ 4,087,359
Programs of the Emergency Food Assistance Cluster:			
Emergency Food Assistance Program (Administrative Costs)	10.568	CSA/FNS-08-016	\$ 20,015
Emergency Food Assistance Program (Food Commodities)	10.569	Food Bank	782,100
Subtotal Emergency Food Assistance Cluster			802,115
Total U. S. Department of Agriculture			\$ 4,889,474
U.S. Department of Defense - Office of Economic Adjustment			
Direct Programs:			
Base Realignment and Closure	12.607	RA0625-08-02	\$ 90,268
Base Realignment and Closure	12.607	RA0625-09-03	30,599
Total U. S. Department of Defense			\$ 120,867
U. S. Department of Housing and Urban Development			
Direct Programs:			
Community Development Block Grant (CDBG)	14.218	-	\$ 4,646,312
Emergency Shelter Program	14.231	S-05-UC-24-0003	77,721
Emergency Shelter Program	14.231	S-06-UC-24-0003	173,615
HOME Investment Partnership	14.239	-	3,170,706
Balance of 06/30/2008 Outstanding Loans as of 06/30/2009	14.239	-	21,271,471
Streetscaping and Revitalization Efforts in Wheaton	14.251	B02SPMD0299	167,472
Subtotal Direct Programs			29,507,297
Pass Through Programs From:			
City of Gaithersburg Housing for Citizens with AIDS	14.241	AD 658 HOP	451,271
Subtotal Pass Through Programs			451,271
Total U. S. Department of Housing and Urban Development			\$ 29,958,568
National Park Service, Department of the Interior			
Pass Through Programs From:			
Maryland Department of Planning - Historical Trust Design Guidelines for Montgomery County Historic Sites and Districts	15.904	-	\$ 20,280
Total National Park Service, Department of the Interior			\$ 20,280

(Continued)

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U. S. Department of Justice			
Direct Programs:			
Asset Forfeiture	16	-	\$ 40,895
Community Based Collaborations for Gang Prevention and Positive Youth Development Program	16.544	2007-JV-FX-0325	69,119
DNA Capacity Enhancement	16.560	2006-DN-BX-K203	2,283
DNA Backlog Reduction Program	16.560	2004-DN-BX-K090	77,771
Solving Cold Cases with DNA	16.560	2005-DN-BX-K021	85,025
Electronic Fingerprinting and Mug-shot Program for Juvenile Offenders	16.560	2005-DJ-BX-0304	51,606
Electronic Fingerprinting and Mug-shot Program for Juvenile Offenders	16.560	2006-DJ-BX-0303	95,241
Byrne Memorial State and Local Law Enforcement Assistance	16.580	-	319,609
Joint County Gang Prevention and Suppression Initiative	16.580	2006-DD-BX-0323	727,585
Pre-Trial Domestic Violence Abuser Intervention Project	16.580	2007-DD-BX-0715	17,647
Comprehensive Anti-Gang Activity Strategy Grant	16.580	I 37-1241	42,165
Encourage Arrest Policies	16.590	2005-WE-AX-0096	343,085
Northwest/Oakview Weed and Seed	16.595	2006-WS-Q6-0109	89,121
Northwest/Oakview Weed and Seed	16.595	2007-WS-Q7-0341	85,512
State Criminal Alien Assistance Program (SCAAP)	16.606	-	1,453,755
Subtotal Direct Programs			<u>3,500,419</u>
Pass Through Programs From:			
Maryland State Department of Human Resources			
Crime Victim Assistance	16.575	Md. House Bill 669	10,357
Crime Victim Assistance	16.575	CSA/CVA 07-022	313,065
Governor's Office of Crime Control and Prevention			
Offenders Employment Reentry	16.579	BJAG-2007-0061	136,665
Violence Against Women	16.588	VAWA-2006-1012	16,713
Violence Against Women	16.588	VAWA-2007-1612	61,216
Violence Against Women	16.588	BJAG-2005-1050	5,799
Violence Against Women	16.588	VAWA-2005-1160	9,964
Violence Against Women	16.588	VAWA-2008-1410	34,359
Under 21 Alcohol Compliance Check	16.727	EUDI-2007-0001	8,748
E-Citation Pilot Program	16.738	BJAG-2007-0126	69,425
Domestic Violence and Sexual Assault Training	16.738	BJAG-2005-0029	3,123
Crime Analysis Seminar	16.738	BJAG-2005-1035	3,150
Advance Touch DNA Collection - LETS	16.738	BJAG-2006-1121	1,180
Anti-Gang Initiative	16.738	BJAG-2005-1051	49,121
Project Safe Neighborhood Initiative - Anti-Gang Initiative	16.744	PSNI-2007-1014	59,026
Project Safe Neighborhood Initiative - Anti-Gang Initiative	16.744	PSNI-2006-1007	18,909
U.S. Marshall's Office			
Regional Fugitive Gang Task Force	16.595	FAFTF-08-0128	20,000
Regional Fugitive Task Force	16.595	FAFTF-08-0144	12,036
Joint Terrorist Force	16.595	-	4,136
National Association of Police Athletic/Activities League, Inc			
2008 Youth Leadership Pilot Program	16.541	YLP-2008-MD13	450
Subtotal Pass Through Programs			<u>837,442</u>
Total U. S. Department of Justice			\$ 4,337,861

(Continued)

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U. S. Department of Labor			
Pass Through Programs From:			
State Department of Labor, Licensing and Regulation			
Programs of the Workforce Investment Act (WIA) Cluster:			
WIA - Adult Program	17.258	POOB7200010-B	\$ 67,441
WIA - Adult Program	17.258	POOB8200010-B	351,221
WIA - Youth Program	17.259	POOB7200010-C	83,938
WIA - Youth Program	17.259	POOB8200010-C	180,406
WIA - Summer Youth Program	17.259	POOB8200022	9,865
WIA - Dislocated Workers	17.260	POOB7200010-D	199,670
WIA - Dislocated Workers	17.260	POOB8200010-D	550,284
WIA - Rapid Response	17.260	POOB6200052	134,238
WIA - Rapid Response Early Intervention	17.260	POOB7200026	84,656
WIA - Base Realignment and Closure	17.260	POOB8200098	52,587
WIA - Maryland Business Work	17.260	-	6,000
Subtotal Workforce Investment Act Cluster			1,720,306
WIA - Disability Navigator	17.266	POOB8200017	162,043
Temporary Assistance for Needy Families	93.558	-	20,993
Total U. S. Department of Labor			\$ 1,903,342
U. S. Department of Transportation			
Pass Through Programs From:			
Maryland State Department of Transportation			
Highway Planning and Construction	20.205	Bridge Design	\$ 5,702,789
Commercial Vehicle Safety (State Highway Administration)	20.218	-	34,827
Programs of the Federal Transit Cluster:			
Ride On Buses-Federal Earmark	20.500	MD-03-0092-02	\$ 227,038
Ride On Buses-Federal Earmark	20.500	MD-03-0114/-0115	3,128,401
Federal Transit Formula Grants	20.507	MD-909090.09	207,770
Subtotal Federal Transit Cluster			3,563,209
Programs of the Highway Safety Cluster:			
Latino Server Training Initiative	20.601	08-009	\$ 21,905
State and Community Highway Safety	20.605	06-165	28,218
Adults Who Host Lose Most Brochure	20.605	-	1,000
Coasters - Alcohol Awareness	20.605	Activity # 09-15	3,835
Cops in Shops	20.605	Activity # 09-16	404
Subtotal Highway Safety Cluster			55,362
Metropolitan Washington Council of Governments			
Employee Outreach	20.505	MD-90-9116	156,815
Travel Assistance for Income Qualified Residents	20.505	Subgrant # 08-032	4,621
Total U. S. Department of Transportation			\$ 9,517,623
U. S. Department of the Treasury			
Direct Programs:			
Metro Alien Task Force Asset Forfeiture - Secret Service	21	NFSL-2002-1001	\$ 27,829
Total U. S. Department of the Treasury			\$ 27,829

(Continued)

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
National Foundation on the Arts and the Humanities			
Pass Through Programs From:			
Maryland State Department of Education			
State Library Program	45.310	900445-01	\$ 11,171
State Library Program	45.310	901818-01	306
State Library Program	45.310	801860-01/02	22,840
State Library Program	45.310	902063-01	66,417
Parent-Child Mother Goose Program	45.310	802136-01	12,791
			<u>113,525</u>
Total National Foundation on the Arts and the Humanities			\$ 113,525
U. S. Environmental Protection Agency			
Direct Programs:			
National Clean Diesel Emerging Technology Program	66.606	-	\$ 950
Total U. S. Environmental Protection Agency			\$ 950
U. S. Department of Education			
Pass Through Programs From:			
Maryland State Department of Education			
Programs of the Special Education Cluster:			
Infants and Families with Disabilities	84.027	900485-06	\$ 222,480
Infants and Families with Disabilities	84.173	900485-07	9,000
Subtotal Special Education Cluster			<u>231,480</u>
Infants and Families with Disabilities	84.181	800239-05	35,638
Infants and Families with Disabilities	84.181	900485-05	90,841
Infants and Families with Disabilities	84.181	900485-05	904,943
Total U. S. Department of Education			\$ 1,262,902
U. S. Department of Health and Human Services			
Direct Programs:			
Adult Drug Court Capital Expantion Initiative	93.243	1H79TI020002-01	\$ 111,562
Head Start	93.600	-	4,343,632
Subtotal Direct Programs			<u>4,455,194</u>
Pass Through Programs From:			
Maryland State Office on Aging			
Special Programs for the Aging - Ombudsman Services	93.042	AAA-3-24-015	211,439
National Family Care Giver Support	93.052	AAA-3-24-015	308,006
Money Follows the Person	93.243	MOU-MO0B8200608-014	20,033
Medical Waiver for Older Adults - Administrative Billing	93.778	-	516,996
Senior Health Insurance Program	93.779	ST-251509-043	71,703
Title III, Part D - Supportive Services and Senior Centers	93.043	AAA-3-24-015	44,954
Programs of the Aging Cluster:			
Title III, Part B - Supportive Services and Senior Centers	93.044	AAA-3-24-015	\$ 790,008
Title III, Part C - Nutrition Services	93.045	AAA-3-24-015	1,373,645
Subtotal Aging Cluster			<u>2,163,653</u>

(Continued)

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U. S. Department of Health and Human Services (continued):			
Pass Through Programs From:			
Maryland State Department of Education			
Programs of the Child Care and Development Block Cluster:			
Head Start and Early Head Start State Supplemental Funds	93.575	800847-03	\$ 30,673
Head Start and Early Head Start State Supplemental Funds	93.575	900707-01	9,914
Subtotal Child Care and Development Block Cluster			<u>40,587</u>
Maryland Administrative Office of the Courts			
Parent Locator Grant	93.586	TPR-09-08	40,148
National Association of County and City Health Officials			
Centers for Disease Control and Prevention (CDCP)			
CDCP - Investigations and Technical Assistance	93.283	2008-063004	49,597
CDCP - Investigations and Technical Assistance	93.283	2008-100104	229,674
Maryland State Department of Human Resources			
Promoting Responsible Fatherhood	93.086	Md. State HB 669	55,481
Batterers - Centers for Disease Control	93.136	CSA/RPG-08-001-A1	7,648
Family Preservation	93.556	Md. State HB 669	63,809
Temporary Assistance for Needy Families	93.558	Md. State HB 669	6,285,005
Title IV-D - Child Support	93.563	Md. State HB 669	731,811
Child Support and Enforcement	93.563	CSEA/CRA/07-043	636,487
Child Support and Enforcement	93.563	CSEA/CR-05-043	11,447
Erasing Borders	93.564	Md. State HB 669	1,077
Refugees - (Cash, Medical and Administrative)	93.566	Md. State HB 669	139,217
Low Income Home Energy Assistance	93.568	Md. State HB 669	806,254
Programs of the Child Care and Development Block Cluster:			
Child Care and Development Fund (CCDF)	93.575	Md. State HB 669	\$ 1,197,871
Child Care Mandatory and Matching Funds of the CCDF	93.596	Md. State HB 669	156,295
Subtotal Child Care and Development Block Cluster			<u>1,354,166</u>
Child Welfare Services	93.645	Md. State HB 669	273,698
Foster Care Title IV-E	93.658	Md. State HB 669	11,099
Title IV-E - Training	93.658	Md. State HB 669	6,362,280
Title IV-E - Adoption	93.659	Md. State HB 669	34,279
Title XX - Social Services Block Grant	93.667	Md. State HB 669	3,913,827
Child Abuse and Neglect	93.669	Md. State HB 669	1,528
Domestic Violence Program	93.671	OGM/DV-09-003	182,000
Independent Living	93.674	Md. State HB 669	7,234
Programs of the Medicaid Cluster:			
Title XIX - Certification	93.778	Md. State HB 669	\$ 6,592,800
Title XIX - Health Related Services	93.778	Md. State HB 669	1,415,989
Subtotal Medicaid Cluster			<u>8,008,789</u>
Maryland State Department of Housing and Community Development			
Community Services Block Grant	93.569	DCA/OCA-10-03-013	124,737
Community Services Block Grant	93.569	DCA/OCA-10-03-013	304,731
Georgetown University			
Microbiology Infectious Disease Research	93.855	RX 4335-022 MC	62,508
Microbiology Infectious Disease Research	93.856	RX 4335-023-MC	48,930
Prince George's County			
HIV Emergency Relief	93.914	C-1263-05	1,204,546
HIV Emergency Relief	93.914	C-0964-07	460,214

(Continued)

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U. S. Department of Health and Human Services (concluded):			
Pass Through Programs From:			
Maryland State Department of Health and Mental Hygiene			
Tuberculosis Control	93.116	CH015TBF	303,085
Transition from Homelessness	93.150	MH 170 OTH	88,261
Immunization Grants	93.268	CH354IMM	362,911
Centers for Disease Control and Prevention (CDCP)			
CDCP - Investigations and Technical Assistance	93.283	FH 438 CBC	635,533
CDCP - Investigations and Technical Assistance	93.283	CH 822 PHP	821,904
CDCP - Asthma/Steps	93.283	CH 845 AST	20,000
Refugee Health	93.566	CH 421 REF	214,105
State Children's Insurance Program	93.767	MA 286 ACM	745,860
Programs of the Medicaid Cluster:			
State Survey and Certification of Health Care Providers	93.777	Nursing Care	\$ 529,682
Medical Assistance - Medicaid Transport	93.778	MA-366-GTS	1,272,985
Service Coordination	93.778	MR 006 MRC	4,059,706
Medical Assistance	93.778	MA020EPS	352,500
Subtotal Medicaid Cluster			6,214,873
HIV Care Formula	93.917	AD486RWS	808,660
HIV Prevention	93.940	AD348CTR	244,535
HIV Prevention	93.940	AD506HER	239,598
Community Mental Health Services	93.958	MH 234 OTH	596,572
Substance Abuse Prevention and Treatment	93.959	AS 018 SAS	799,538
Substance Abuse Prevention and Treatment	93.959	MU 525 ADP	482,239
Nutrition Risk Reduction	93.988	FHA 490 DTA	45,121
Preventive Health Services Block Grant	93.991	FH 391 IPP	2,930
Maternal and Child Health Services	93.994	CH 567 CFT	588,072
Improved Pregnancy Outcome	93.994	FH 886 IPO	67,428
Children with Special Needs	93.994	CH 501 CSN	18,637
Children with Special Needs	93.995	CH 501 CSN	55,911
The Maryland Institute for Emergency Medical Services Systems			
Bioterrorism Hospital Preparedness	93.889	BT4-11	40,346
Subtotal Pass Through Programs			48,185,711
Total U. S. Department of Health and Human Services			\$ 52,640,905
Corporation for National and Community Service			
Direct Programs:			
Retired and Senior Volunteer Program	94.002	09 SRAMD 003	\$ 24,130
Retired and Senior Volunteer Program	94.002	09 SR093 0167	66,202
Subtotal Direct Programs			90,332
Pass Through Programs From:			
Volunteer Frederick			
Eastern Seaboard Summer Service	94.007	07CGHMD001	6,919
Points of Light Institute and HandsOn Network			
2009 Martin Luther King, Jr. Day of Service	94.007	-	9,180
Subtotal Pass Through Programs			16,099
Total Corporation for National and Community Service			\$ 106,431

(Continued)

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U. S. Department of Homeland Security			
Direct Programs:			
Public Safety Communications System Upgrade	97.004	EMW-2007-FO-09241	\$ 2,889,099
Hurricane Dolly	97.025	AO # 2006-007	5,522
Republican National Convention	97.025	EMW-2003-CA-0100/M015	11,235
Hurricane Gustav	97.025	EMW-2003-CA-0100/M021	78,743
Hurricane Ike	97.025	EMW-2003-CA-0100/M023	581,529
Hurricane Omar	97.025	AO # 2007-0003	2,490
Presidential Inauguration	97.025	-	103,042
National Urban Search and Rescue Response System	97.025	EMW-2006-CA-0222	46,077
National Urban Search and Rescue Response System	97.025	EMW-2005-CA-0285	528,234
National Urban Search and Rescue Response System	97.025	EMW-2008-CA-0484	219,962
Joint Task Force - Office of the State's Attorney	97.029	-	30,000
Staffing for Adequate Fire and Emergency Response	97.044	EMW-2006-FF-03999	436,704
Subtotal Direct Programs			<u>4,932,637</u>
Pass Through Programs From:			
Hampton Roads Planning District Commission			
Urban Areas Security Initiative (UASI)			
UASI Hampton Roads	97.067	2007 UASI HRPDC	58,755
Pass Through Programs From:			
District of Columbia - Homeland Security and			
Emergency Management Agency			
National Capital Area Region (NCR)			
Law Enforcement Information Exchange (LINX)			
Radio Cache Logistics and Maintenance	97.008	2006-EM-E6-0059/04CUAS6	1,710
5 D Volunteer Program	97.008	2006-EM-E6-0059/05A	104,893
UASI Information Data Sharing	97.008	VAFUAS6	404,350
UASI Information Data Sharing	97.008	13A UASI 6	1,561,218
UASI NCR Law Enforcement (LINX)	97.008	7UASI 536-01	1,542,367
Active Shooter "Immediate Action Teams"	97.008	ETYUAS6	49,834
Tactics and Objectives			
Programs of the Homeland Security Cluster:			
LINX - Hampton Roads and Baltimore	97.067	7UASI 536-02	\$ 54,152
UASI NCR Law Enforcement (LINX)	97.067	7UASI 536-03	328,265
NCR Training and Exercise Support	97.067	7UASI 535-02	124,730
Radio Cache Leadership and Foundation Training	97.067	7UASI 541-02	118,090
Radio Cache Maintenance and Battery Replacement	97.067	7UASI 126-0	1,405
Web EOC - Montgomery	97.067	7UASI 535-04	120,000
UASI NCR Cache Leadership	97.067	2005-GE-T5-0024/4DUAS5	332,579
UASI NCR Exercise and Training Cache	97.067	2004-TU-T4-0010	118,963
Communication Leader	97.067	2005-GE-T5-0024	4,854
Incident Management Training	97.067	-	1,618
UASI Data Sharing	97.067	2005-GE-T5-0024/13DUAS5	109,545
Subtotal Homeland Security Cluster			<u>1,314,201</u>
Bus Security Cameras	97.075	Subgrant # 6TGO3	131,515
Maryland Emergency Management Agency			
Emergency Management Preparedness - Training	97.042	2007-EM-E7-0104	262,038
Programs of the Homeland Security Cluster:			
State Homeland Security Grant Program	97.067	2007-GE-T7-0040	\$ 517,534
Mission SR980 - Hurricane Ike	97.067	-	55,465
UASI Emergency Planning	97.067	-	228,092
Subtotal Homeland Security Cluster			<u>801,091</u>
Hazardous Materials Emergency Preparedness	97.073	-	2,472
Subtotal Pass Through Programs			<u>6,234,444</u>
Total U.S. Department of Homeland Security			\$ 11,167,081
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 116,074,794

The accompanying notes are an integral part of this Schedule.

MONTGOMERY COUNTY, MARYLAND
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Ended June 30, 2009

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:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Subrecipient Name</u>	<u>Amount Provided to Subrecipients</u>
Head Start	93.600	Montgomery County Public Schools	\$ 3,269,481
Infants and Toddlers	84.027	Montgomery County Public Schools	222,480
Infants and Toddlers	84.181	Montgomery County Public Schools	90,841
Infants and Toddlers	93.558	Montgomery County Public Schools	430,446
High Intensity Drug Trafficking Area	07	YMCA of Greater Washington	7,156
Community Development Block Grant (CDBG)			
CDBG	14.218	City of Rockville	357,558
CDBG	14.218	City of Takoma Park	25,242
Workforce Investment Act (WIA)			
Byrne Memorial Grant	16.738	Career Transition Center	136,665
Adult Program	17.258	Career Transition Center	340,124
Youth Activities	17.259	Transcen, Inc.	95,109
Youth Activities	17.259	Latin American Youth Center	184,285
Youth Summer Program	17.259	Latin American Youth Center	9,865
Dislocated Workers	17.260	Career Transition Center	659,743
Rapid Intervention	17.260	Career Transition Center	136,530
Early Intervention Grant	17.260	Career Transition Center	52,587
Disability Navigator Grant	17.266	Transcen, Inc.	162,043
WIA Administration	17.258/59/60	Career Transition Center	99,058
Maryland Incumbent Worker	17.258/59/60	Career Transition Center	84,656
Bases Realignment & Closure	17.258/59/60	Career Transition Center	6,000
Temporary Assistance for Needy Families (TANIF)	93.558	Career Transition Center	20,993

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, 2009**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor’s report issued: Unqualified

	<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: Unqualified

	<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>
14.218	Community Development Block Grant
14.239	Home Investment Partnerships Program
17.258,259,260	Workforce Investment Cluster
20.500, 20.507	Federal Transit Cluster
93.558	Temporary Assistance for Needy Families
93.777/93.778	Medicaid Cluster

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
June 30, 2009
(Continued)

Part II – Financial Statement Findings Section

Finding No 09-01 Supervisory Review

Condition: During our review of the liability related to other post employment benefits, we noted that the liability recorded represented only the current year portion of the liability and not the cumulative liability.

Criteria: Internal Control-Integrated Framework (COSO) requires effective internal controls to ensure that financial transactions are properly recorded and accounted for to permit the preparation of reliable financial statements.

Cause: The liability related to other post employment benefits is only recorded once a year, and while management's initial review of the entry did not detect the error, compensating controls, which include management review of the financial statements, are currently in place.

Effect: The liability related to other post employment benefits may be materially misstated.

Recommendation: We recommend that management review all year-end audit schedules for accuracy and completeness of financial reporting. In addition, we recommend that management remain aware of, and follow, the compensating controls in place to ensure the financial statements are free of material misstatements.

**Management's
Response:**

We concur with the Auditor's recommendation. As noted by the Auditor above, we have an extensive review process already in place over the financial statements and supporting schedules and adjustments. A key management vacancy hampered the process with regard to the internally calculated cumulative liability associated with other post employment benefits (OPEB). This was the first year requiring this cumulative calculation for OPEB. This key management position has since been filled. We are also adding more explanatory documentation to year-end workpapers to avoid this situation in the future.

Part III – Federal Award Findings and Questioned Costs Section

There were no findings identified during the audit for the year ended June 30, 2009.

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF PRIOR YEAR FINDINGS
June 30, 2009**

There were no prior year findings identified for the year ended June 30, 2008.



**Prepared by the:
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