

MONTGOMERY COUNTY MARYLAND

Report on Expenditures of Federal Awards



Fiscal Year 2010

July 1, 2009 - June 30, 2010
Rockville, Maryland

MONTGOMERY COUNTY MARYLAND

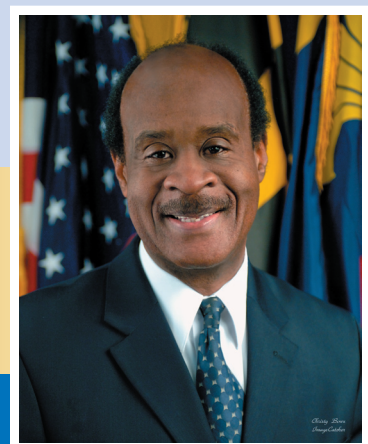
Report on Expenditures of Federal Awards



Prepared by the
DEPARTMENT OF FINANCE

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Fiscal Year 2010
July 1, 2009 - June 30, 2010



Isiah Leggett
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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, 2010 and budgetary comparison for the general fund for the year ended June 30, 2010, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 20, 2010. We did not audit the financial statements of Bethesda Urban Partnership, Inc. and Montgomery County Revenue Authority. The financial statements of Bethesda Urban Partnership, Inc. and Montgomery County Revenue Authority 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 those 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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 over financial reporting that might be deficiencies, 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 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 20, 2010.

This report is intended solely for the information and use of County Council, the County's management, others within the entity, 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 Henderson LLP

Baltimore, Maryland
December 20, 2010

**Independent Auditor's Report on Compliance with Requirements That Could Have a
Direct and Material Effect on Each Major Program and on Internal Control Over
Compliance 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 with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. Montgomery 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 Montgomery County's management. Our responsibility is to express an opinion on Montgomery 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, 2010. 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 Montgomery 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 Montgomery County's compliance with those requirements.

In our opinion, Montgomery County complied, in all material respects, with the 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, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2010-1.

Internal Control Over Compliance

The management of Montgomery 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 Montgomery 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-1. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 Montgomery County as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 20, 2010. The financial statements of 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 management, County Council, management, others within the entity, 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

March 22, 2011, except for our report on the Schedule of
Expenditures of Federal Awards which is December 20, 2010

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

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	\$ 123,988
Total Office of National Drug Control Policy			\$ 123,988
U. S. Department of Agriculture			
Pass Through Programs From:			
Maryland State Department of Human Resources			
ARRA - State Administrative Matching Grant for Food Stamps	10.561	Md. House Bill 669	\$ 3,921,332
Programs of the Emergency Food Assistance Cluster:			
Emergency Food Assistance Program (Administrative Costs)	10.568	OGM/FNS-09-016	\$ 57,792
Emergency Food Assistance Program (Food Commodities)	10.569	Food Bank	500,101
Subtotal Emergency Food Assistance Cluster			557,893
Total U. S. Department of Agriculture			\$ 4,479,225
U.S. Department of Defense - Office of Economic Adjustment			
Direct Programs:			
Base Realignment and Closure (BRAC)	12.607	RA0625-08-013	\$ 133,227
BRAC Bicycle and Pedestrian Facilities	12.607	RA0625-08-013	469,204
Total U. S. Department of Defense			\$ 602,431
U. S. Department of Housing and Urban Development			
Direct Programs:			
Programs of the CDBG - Entitlement Grants Cluster:			
Community Development Block Grant (CDBG)	14.218	B-09-UC-24-001	\$ 5,538,544
ARRA - CDBG Recovery Act	14.253	B-09-UY-24-0001	137,250
Subtotal CDBG - Entitlement Grants Cluster			5,675,794
Emergency Shelter Program	14.231	S-08-UC-24-0003	52,968
Emergency Shelter Program	14.231	S-09-UC-24-0003	129,530
HOME Investment Partnership	14.239	M-09-UC-24-0504	1,079,083
Balance of 06/30/2009 Outstanding Loans as of 06/30/2010	14.239	-	24,424,758
Neighborhood Stabilization Program (NSP)	14.251	B-08-UN-24-0001	1,789,058
ARRA - Homeless Prevention and Rapid Re-Housing	14.262	S09-UY-24-0003	474,458
Subtotal Direct Programs			33,625,649
Pass Through Programs From:			
Maryland Department of Housing and Community Development			
Maryland Neighborhood Conservation Initiative	14.228	MD - NCI -1	3,434,877
Maryland State Department of Health and Mental Hygiene			
Housing for People with AIDS (HOPWA)	14.241	AD 658 HOP	456,690
Subtotal Pass Through Programs			3,891,567
Total U. S. Department of Housing and Urban Development			\$ 37,517,216
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	24-09-21826	\$ 23,000
Total National Park Service, Department of The Interior			\$ 23,000

(Continued)

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

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:			
Community-Based Collaborations (CBC) for Gang Prevention and Positive Youth Development Program	16.544	2007-IV-FX-0325	\$ 74,215
Electronic Fingerprinting and Mug-shot Program for Juvenile Offenders	16.560	2006-DJ-BX-0303	3,444
Forensic DNA Backlog Reduction Program	16.560	2006-DN-BX-K048	31,264
Joint County Gang Prevention and Suppression Initiative	16.580	2006-DD-BX-0323	527,964
Gang Suppression/Prevention - Montgomery County	16.580	2009-D1-BX-0314	6,935
Comprehensive Anti-Gang Activity Strategy Grant	16.580	I 37-1241	43,512
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2005-WE-AX-0096	372,701
Northwest/Oakview Weed and Seed	16.595	2008-WS-QX-0149	62,356
Northwest/Oakview Weed and Seed	16.595	2009-WS-QX-0167	83,853
Federal Deposit Insurance Corporation (FDIC) - Bank Closures Federal Security	16.595	-	16,603
Bureau of Alcohol, Firearms and Explosives (BAFE) - Gang Task Force Overtime Grant	16.595	-	2,866
Federal Bureau of Investigation (FBI) - Joint Terrorist Force	16.595	-	29
State Criminal Alien Assistance Program (SCAAP)	16.606	-	1,575,426
Forensic DNA Backlog Reduction Program	16.741	2007-DN-BX-K100	113,946
Forensic DNA Backlog Reduction Program	16.741	2009-DN-BX-K085	200
Solving Cold Cases with DNA	16.741	2008-LT-BX-K005	98,773
Maryland Regional Gang Initiative Expansion	16.753	2008-DD-BX-0648	113,857
ARRA - FY 2009 Recovery Act Justice Assistance Grant Program	16.804	2009-SB-B9-0879	284,387
Subtotal Direct Programs			<u>3,412,331</u>
Pass Through Programs From:			
Maryland State Department of Human Resources Victims of Crime Assistance Program (VOCA)	16.575	CSA/CVA-07-022	313,812
ARRA - Victim Assistance and Sexual Assault Program (VASAP)	16.588	CSA-CVA/07-022-A1-ARRA	23,765
Governor's Office of Crime Control and Prevention Prosecution Support	16.588	VAWA-2008-1712	20,429
Domestic Violence Prosecutor	16.588	VAWA-2009-1812	58,002
Rockville District Court Abused Persons Support	16.588	VAWA-2008-1410	13,372
Victim Access	16.588	VAWA-2009-1411	23,204
ARRA - FJC Protection Order Enforcement	16.588	VARA-2009-1025	26,994
Cops in Shops	16.727	EUDL-2009-1026	18,819
Advance Bloodstain Analysis - LETS	16.738	BJAG-2007-1137	3,607
Mid Atlantic Association of Women in Law Enforcement - LETS	16.738	BJAG-2007-1140	649
ARRA - Silver Spring Courthouse Victim Assistant	16.801	VARA-2009-1004	8,069
ARRA - Victim's Court/Counseling Services - JRA	16.803	BJRA-2009-1127	3,793
ARRA - Backlog Reduction and Violent Offender Suppression VOWR	16.803	BJRA-2009-1021	135,261
ARRA - Mobile Video Evidence System - LETR	16.803	BJRA-2009-1043	94,361
ARRA - Backlog Reduction - DBRA	16.803	BJRA-2009-1086	76,607
U.S. Marshall's Office Regional Fugitive Gang Task Force	16.595	FATF-09-0128	8,753
Regional Fugitive Gang Task Force	16.595	FATF-10-0128	40,533
Regional Fugitive Task Force	16.595	FATF-08-0144	25,825
Subtotal Pass Through Programs			<u>895,855</u>
Total U. S. Department of Justice			\$ 4,308,186

(Continued)

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

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:			
ARRA - WIA Adult Program	17.258	POOB9200156-A	\$ 172,605
WIA - Adult Program	17.258	POOB9200072-A	52,119
WIA - Adult Program	17.258	POOB0400109-A/033-A	300,159
ARRA - WIA Youth	17.259	POOB9200156-B	272,521
WIA - Youth Programs	17.259	POOB9200034-B	121,909
WIA - Youth Programs	17.259	POOB0400033-B	243,377
ARRA - Early Intervention	17.260	POOB040022	171,591
ARRA - WIA Dislocated Worker	17.260	POOB9200156-C	483,581
WIA - Dislocated Workers	17.260	POOB9200072-C	236,771
WIA - Dislocated Workers	17.260	POOB0400109-C/033-C	693,675
ARRA - Maryland Business Works	17.260	POOB0400011	68,888
WIA - Base Realignment and Closure	17.260	POOB8200098	21,471
WIA - Maryland Business Work	17.260	POOB9200073	2,186
Subtotal Workforce Investment Act Cluster			2,840,853
RSA for Montgomery County One Stop Center	17.207	POOB1400110	349,708
WIA - Disability Navigator	17.266	POOB9200012	28,003
WIA - Disability Navigator	17.266	POOB0400048	161,117
Temporary Assistance for Needy Families (TANIF)	93.558	POOB9200138	95,484
Total U. S. Department of Labor			\$ 3,475,165
U. S. Department of Transportation			
Pass Through Programs From:			
Maryland State Department of Transportation			
Highway Planning and Construction	20.205	Bridge Design	\$ 12,545,727
Highway Planning and Construction	20.205	Bridge Design	242,988
RideSharing/Commuter Assistance Grant	20.507	MD-95-0004	39,911
RideSharing/Commuter Assistance Grant	20.507	MD-95-0005	228,971
Programs of the Highway Safety Cluster:			
Latino Server Training Program	20.601	09-009	\$ 3,807
Cops in Shops - Liquor Board	20.605	Project # 09-166	5,776
Subtotal Highway Safety Cluster			9,583
Maryland State Highway Administration - Maryland Highway Safety Office			
Commercial Vehicle Safety	20.218	-	38,743
ID Checking Calendar for Retailers and Takoma Park Cops in Shops	20.600	10-166-23	9,505
The Metropolitan Washington Council of Governments			
Special Project	20.505	-	14,999
Employer Outreach	20.505	Contract 09-007	158,920
Travel Assistance for Income Qualified Residents	20.505	Subgrant # 08-032	5,823
Total U. S. Department of Transportation			\$ 13,295,170
U. S. Department of the Treasury			
Direct Programs:			
Secret Service - Metro Area Task Force	21	-	\$ 18,917
Total U. S. Department of the Treasury			\$ 18,917

(Continued)

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

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	\$ 4,329
State Library Program	45.310	901818-01	6,406
State Library Program	45.310	902063-01	181
Parent-Child Mother Goose Program	45.310	802136-01	1,427
			<u>12,343</u>
Total National Foundation on the Arts and the Humanities			\$ 12,343
U. S. Environmental Protection Agency			
Direct Programs:			
National Clean Diesel Emerging Technology Program	66.034	92045-MEMA00	\$ 28,973
Subtotal Direct Programs			<u>28,973</u>
Pass Through Programs From:			
Mid-Atlantic Regional Air Management Association, Inc.			
ARRA - Transit Bus and County Equipment Retrofit Project	66.039	2A-973793-01	24,147
			<u>24,147</u>
Total U. S. Environmental Protection Agency			\$ 53,120
U.S Department of Energy			
Pass Through Programs From:			
Maryland Department of Housing and Community Development			
Weatherization Assistance for Low-Income Persons	81.042	Weatherization	\$ 31,832
ARRA - Wheatherization Assistance Grant	81.042	-	774,883
			<u>806,715</u>
Total U. S. Department of Energy			\$ 806,715
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	104376-02	\$ 226,526
Infants and Families with Disabilities	84.173	104376-03	9,000
Subtotal Special Education Cluster			<u>235,526</u>
Programs of the Early Intervention Services (IDEA) Cluster:			
Infants and Families with Disabilities	84.181	900485-05	54,149
Infants and Families with Disabilities	84.181	104376-01	196,233
Infants and Families with Disabilities	84.181	104376-01	935,865
ARRA - Infants and Families with Disabilities	84.393	104516-01	206,091
ARRA - Infants and Families with Disabilities	84.393	104516-01	37,932
ARRA - Infants and Families with Disabilities	84.393	104516-02	75,890
Subtotal Early Intervention Services (IDEA) Cluster			<u>1,506,160</u>
Total U. S. Department of Education			\$ 1,741,686

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MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

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			
Direct Programs:			
Adult Drug Court Capital Expantion Initiative	93.243	1H79TI020002-01	\$ 354,768
Town Hall Meeting - Underage Drinking	93.243	-	500
Head Start	93.600	03CH2109/44	1,126,816
Head Start	93.600	03CH2109/44	3,374,427
ARRA - HeadStart COLA and QI	93.708	03SE2109/01	258,715
ARRA - HeadStart COLA and QI	93.708	03SE2109/01	4,520
Subtotal Direct Programs			<u>5,119,746</u>
Pass Through Programs From:			
Maryland State Office on Aging			
Special Programs for the Aging - Ombudsman Services	93.042	AAA-3-24-015	69,488
Title III, Part D - Supportive Services and Senior Centers	93.043	AAA-3-24-015	34,195
National Family Care Giver Support	93.052	AAA-3-24-015	524,129
Medicare Improvements to Patients	93.052	-	3,475
Money Follows the Person - Education and Application	93.052	-	1,220
Medical Waiver for Older Adults - Administrative Billing	93.778	-	555,107
Senior Health Insurance Program	93.779	ST-251509-043	66,120
Programs of the Aging Cluster:			
Title III, Part B - Supportive Services and Senior Centers	93.044	AAA-3-24-015	\$ 765,181
Title III, Part C - Nutrition Services	93.045	AAA-3-24-015	1,407,063
ARRA - Title III, Part C - Nutrition Services	93.045	-	<u>95,442</u>
Subtotal Aging Cluster			2,267,686
Maryland State Department of Education			
Programs of the Child Care and Development Block Cluster:			
Early Head Start State Supplemental Funds	93.575	900707-01	37,526
Early Head Start State Supplemental Funds	93.575	104908-01	<u>12,525</u>
Subtotal Child Care and Development Block Cluster			50,051
Maryland Family Network			
Regional Child Care Resource Center	93.575	-	93,586
ARRA - Regional Child Care Resource Center	93.713	-	91,085
Maryland Aministrative Office of the Courts			
Parent Locator Grant	93.586	TPR-09-08	3,344
National Association of County and City Health Officials (NACCHO)			
Centers for Disease Control and Prevention (CDCP)			
CDCP - Investigations and Technical Assistance	93.283	2008-100104	172,374
CDCP - Investigations and Technical Assistance	93.283	2010-092004	146,290
Maryland State Department of Human Resources			
Promoting Responsible Fatherhood	93.086	Md. State HB 669	83,968
Family Preservation	93.556	Md. State HB 669	120,022
Temporary Assistance for Needy Families	93.558	Md. State HB 669	7,053,214
Title IV-D - Child Support	93.563	Md. State HB 669	549,920
Child Support and Enforcement	93.563	CSEA/CRA/10-043	434,787
Child Support and Enforcement	93.563	CSEA/CRA/09-043	127,926
Child Support and Enforcement	93.563	-	9,408
Refugees - (Cash, Medical and Administrative)	93.566	Md. State HB 669	201,189
Low Income Home Energy Assistance	93.568	Md. State HB 669	591,689
Programs of the Child Care and Development Block Cluster:			
Child Care and Development Fund (CCDF)	93.575	Md. State HB 669	695,089
Child Care Mandatory and Matching Funds of the CCDF	93.596	Md. State HB 669	<u>266,506</u>
Subtotal Child Care and Development Block Cluster			961,595
Family Kinship Connection	93.605	Md. State HB 669	58,968
Child Welfare Services	93.645	Md. State HB 669	260,456
Foster Care_Title IV-E Administration	93.658	Md. State HB 669	2,807,458
Title IV-E - Adoption	93.659	Md. State HB 669	114,752
Title XX - Social Services Block Grant	93.667	Md. State HB 669	3,833,569

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MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

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 Human Resources			
Child Abuse and Neglect	93.669	Md. State HB 669	2,343
Domestic Violence Program	93.671	OGM/DV-09-003	176,871
Independent Living	93.674	Md. State HB 669	155,926
Programs of the Medicaid Cluster:			
Title XIX - Certification	93.778	Md. State HB 669	4,452,981
Title XIX - Health Related Services	93.778	Md. State HB 669	629,017
Subtotal Medicaid Cluster			5,081,998
Maryland State Department of Housing and Community Development			
Programs of the Community Services Block Grants (CSBG) Cluster:			
Community Services Block Grant	93.569	DCA/OCA-10-03-013	168,783
Community Services Block Grant	93.569	DCA/OCA-10-03-013	340,021
ARRA - Community Services Block Grant	93.710	-	301,934
Subtotal Community Services Block Grants (CSBG) Cluster			810,738
Georgetown University			
Microbiology Infectious Disease Research	93.855	RX 4335-022 MC	61,960
Microbiology Infectious Disease Research	93.856	RX 4335-023-MC	64,303
Prince George's County			
HIV Emergency Relief	93.914	C-1263-05	1,405,038
HIV Emergency Relief	93.914	C-0964-07	557,798
Maryland State Department of Health and Mental Hygiene			
Centers for Disease Control and Prevention (CDCP)			
CDCP - Investigations and Technical Assistance	93.069	PR 015 9HP	1,279,876
Tuberculosis Control	93.116	CH 015 TBF	267,282
Transition from Homelessness	93.150	MH 170 OTH	115,588
Reproductive Health/Family Planning	93.217	FH 554 FPG	152,586
Immunization Grants	93.268	CH 354 IMM	299,188
CDCP - Investigations and Technical Assistance	93.283	FH 438 CBC	650,778
Refugee Health	93.566	CH 421 REF	258,183
State Children 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	570,336
Medical Assistance - Medicaid Transport	93.778	MA-366-GTS	368,896
Medical Assistance	93.778	MA 020 EPS	352,500
Medical Assistance Program	93.778	-	204,078
Medical Assistance Program	93.778	-	245,568
Subtotal Medicaid Cluster			1,741,378
HIV Care Formula	93.917	AD 486 RWS	920,590
HIV Prevention	93.940	AD 348 CTR	243,146
HIV Prevention	93.940	AD 506 HER	239,398
Community Mental Health Services	93.958	MH 234 OTH	569,645
Substance Abuse Prevention and Treatment	93.959	AS 018 SAS	802,647
Substance Abuse Prevention and Treatment	93.959	MU 525 ADP	458,005
Preventive Health Services Block Grant	93.991	FH 391 IPP	1,900
Oral Cancer Prevention	93.991	CH 698 OCP	4,724
Maternal and Child Health Services	93.994	-	586,793
Improved Pregnancy Outcome	93.994	FH 886 IPO	32,951
Children with Special Needs	93.994	CH 501 CSN	18,718
Children with Special Needs	93.995	CH 501 CSN	56,150
Subtotal Pass Through Programs			39,049,432
Total U. S. Department of Health and Human Services			\$ 44,169,178

(Continued)

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
Corporation for National and Community Service			
Direct Programs:			
Retired and Senior Volunteer Program	94.002	09 SRAMD 003	\$ 11,425
Retired and Senior Volunteer Program	94.002	09 SR093 0167	35,896
Subtotal Direct Programs			<u>47,321</u>
Pass Through Programs From:			
Points of Light Institute and HandsOn Network 2009 Martin Luther King, Jr. Day of Service	94.007	-	5,000
Subtotal Pass Through Programs			<u>5,000</u>
Total Corporation for National and Community Service			\$ 52,321
U. S. Department of Homeland Security			
Direct Programs:			
Republican National Convention	97.025	EMW-2003-CA-0100/M015	\$ 9,673
Hurricane Gustav	97.025	EMW-2003-CA-0100/M021	16,025
National Urban Search and Rescue Response System	97.025	EMW-2006-CA-0222	192,471
National Urban Search and Rescue Response System	97.025	EMW-2005-CA-0285	274,599
National Urban Search and Rescue Response System	97.025	EMW-2008-CA-0484	470,161
Staffing for Adequate Fire and Emergency Response	97.044	EMW-2006-FF-03999	744,529
Assistant to Fire Fighters Grant	97.044	-	280,475
Subtotal Direct Programs			<u>1,987,933</u>
Pass Through Programs From:			
District of Columbia - Homeland Security and Emergency Management Agency			
National Capital Area Region (NCR)			
Law Enforcement Information Exchange (LINX)			
5 D Volunteer Program	97.008	2006-EM-E6-0059/05AUAS6	140,150
NCR Training and Exercise Support	97.008	2006-GE-TE6-0037/ETPUA	270
UASI Information Data Sharing	97.008	VAFUAS6	103,211
UASI Information Data Sharing	97.008	13A UASI 6	1,840,376
UASI Information Data Sharing	97.008	2006-EM-E6-0059/13AUAS6	615,226
UASI NCR Law Enforcement (LINX)	97.008	7UASI 536-01	199,804
UASI NCR LINX Maintenance Grant - Defibrillator	97.008	2006-EM-E6-0059/13AUAS6	906,261
UASI Emergency Planning	97.008	-	229,671
UASI-LINX Capabilities Upgrades Tactics and Objectives	97.008	-	75,693
Programs of the Homeland Security Cluster:			
Influenza Pandemic Training of Pharmacists	97.067	7UASI535-05	\$ 10,247
H1N1 Flu Symptoms	97.067	7UASI535-06	28,515
UASI 5% Share	97.067	8UASI535-03	304,826
Regional Animal Shelter Preparedness	97.067	7UASI535-07	23,783
FY09 UASI Explosive Breaching Training	97.067	9UASI536-04	4,965
UASI NCR Radio Cache Maintenance	97.067	8UASI541-03	49,796
Radio Cache Leadership and Foundation Training	97.067	7UASI 541-02	25,888
Radio Cache Maintenance and Battery Replacement	97.067	7UASI 126-0	28,374
UASI NCR Cache Leadership	97.067	2005-GE-T5-0024/4DUAS5	257,855
UASI National Incident Management System (NIMS) Coordinator	97.067	2005-GE-T5-0024/4BUAS5	10,618
UASI Mass Casualty Support Unit - Medical Supplies	97.067	8UASI541-01	458
UASI NCR Exercise and Training Cache	97.067	2004-TU-T4-0010/04.1.17.7	373,787
Communication Leader	97.067	2005-GE-T5-0024	55,000
Incident Management Training	97.067	-	17,506
UASI Data Sharing	97.067	2005-GE-T5-0024/13DUAS5	858,210
Mass Care Supplies	97.067	2005-GE-T5-0024/X4UAS5-MD	87,537
FFY09 UASI Exercise and Training Grant	97.067	2005-GE-T5-0024/5CUAS5	62,500
Subtotal Homeland Security Cluster			<u>2,199,865</u>

(Continued)

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

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 (Concluded)			
Pass Through Programs From:			
District of Columbia - Homeland Security and Emergency Management Agency			
Depot Security - Transit Grant	97.075	Subgrant # 6TGO3	380,969
Bus Security Cameras	97.075	Subgrant # 6TGO3	47,364
Hampton Roads Planning District Commission			
Urban Areas Security Initiative (UASI) Hampton Roads	97.067	2007 UASI HRPDC	341,245
National Fire Protection Association			
The 2009 Rolf H. Jensen Memorial Public Education Grant	97.067	-	3,024
Maryland Emergency Management Agency			
Emergency Management Preparedness - Training	97.042	2007-EM-E7-0104	288,532
State Homeland Security Grant Program	97.067	2007-GE-T7-0040	359,797
State Homeland Security Grant Program	97.067	2007-GE-T7-0040	430,498
FFY08 State Homeland Security Grant	97.073	2008-GE-T8-0011	108,367
Subtotal Pass Through Programs			<u>8,270,323</u>
Total U.S. Department of Homeland Security			<u>\$ 10,258,256</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 120,936,917</u>

MONTGOMERY COUNTY, MARYLAND
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

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:

<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	\$ 3,374,427
ARRA - Head Start	93.708	Montgomery County Public Schools	258,715
Infants and Toddlers (I & T)	84.027	Montgomery County Public Schools	226,526
Infants and Toddlers (I & T)	84.181	Montgomery County Public Schools	196,233
ARRA – (I & T)	84.393	Montgomery County Public Schools	37,932
(I & T) MEDICAID	93.778	Montgomery County Public Schools	204,078
High Intensity Drug Trafficking Area	07	YMCA of Greater Washington	123,988
Community Development Block Grant (CDBG)			
CDBG	14.218	City of Rockville	336,574
CDBG	14.218	City of Takoma Park	211,008
Workforce Investment Act (WIA)			
Workforce Solutions Group of Montgomery County, Inc. (WSGMC)			
Adult Program	17.258	WSGMC	302,087
ARRA - Adult Program	17.258	WSGMC	172,605
Youth Activities	17.259	Latin American Youth Center	233,125
ARRA - Youth Activities	17.259	Latin American Youth Center	248,000
Youth Summer Program	17.259	Transcen, Inc	120,651
ARRA - Dislocated Workers	17.260	WSGMC	483,581
Dislocated Workers	17.260	WSGMC	686,673
Early Intervention	17.260	WSGMC	171,591
Base Closing (BRAC)	17.260	WSGMC	17,312
ARRA – MD Business Work	17.260	WSGMC	68,888
WIA Statewide Funds	17.260	WSGMC	4,500
Disability Navigator Grant	17.266	Transcen, Inc.	183,880
TANIF	93.558	WSGMC	95,484

MONTGOMERY COUNTY, MARYLAND
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

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, 2010**

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>
10.561	SNAP
14.218, 14.253	Community Development Block Grant
14.228	Neighborhood Conservation
16.803	Byrne Justice
17.258,259,260	Workforce Investment Cluster
20.205	Highway Planning and Construction
81.042	Weatherization
84.181,84.393	Infants and Toddlers
93.044,93.045	Aging Cluster
93.600,93.708	HeadStart

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, 2010
(Continued)

Part II – Financial Statement Findings Section

There were no findings identified during the audit for the year ended June 30, 2010.

Part III – Federal Award Findings and Questioned Costs Section

Finding No 2010-01 Montgomery County does not consistently follow procurement procedures to review and document the federal suspension and debarment status of contractors in accordance with OMB Circular A-110 before implementation of a contract. (Internal Control and Compliance)

Federal Program: Infants and Toddlers 84.181, 84.393
Highway Planning and Construction 20.205

Condition: During our audit we identified five out of seven procured contracts that did not include documentation of the verification of the vendor's federal suspension and debarment status.

Each department requiring procured goods and services is allowed to construct the vendor contract. This procedure allows for differences in the executed contracts, as such, some contracts were compliant with A-110 and others were not.

Criteria: The A-102 Common Rule or OMB Circular A-110, as applicable, stipulate that the entity, to provide reasonable assurance that procurement of goods and services are made in compliance with the provisions and that covered transactions (as defined in the suspension and debarment common rule) are not made with a debarred or suspended party, should implement appropriate internal controls. When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300). Covered transactions include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria.

Context: During testing we identified all four of the contracts tested for the Infants and Toddlers program and one out of three contracts tested for the Highway Planning and Construction program that failed to document the contractor's suspension and debarment status in accordance with OMB Circular A-110.

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010
(Continued)

Cause: Office of Procurement indicated that they do not check new contracts against the federal list of suspended/debarred companies. Procurement has an internal list that just pertains to the County. This list has been compiled over time and is used to check the new contracts.

Effect: Montgomery County could enter into contracts with vendors that are suspended or debarred by the federal government.

Questioned Costs: None noted. Based on EPLS, the none of the contractors selected for testing were not suspended or debarred.

Recommendation: Montgomery County should review and revise procedures as necessary to ensure that either all new contracts include a clause requiring certification of the vendor's suspended and debarred status or implement a procedure requiring the epls.gov website be reviewed for suspended and debarred status of proposed vendors prior to entering into a contract with them.

**Management's
Response:**

The County has procedures in place to ensure that it only does business with reputable vendors. These procedures require, among other things, that the Office of Procurement maintain a list of individuals and organizations that have been debarred by the County. Many of the vendors the County uses for contracts funded with federal monies have done business with the County for many years. The nature of the services they provide are often unique and only performed by a small niche of vendors. The auditors noted no instance in which the County did business with a vendor that was listed on the U.S. General Services Administration (GSA) Excluded Parties List System (EPLS).

Department/grant administrators are responsible for ensuring grant specific requirements are met. While the County at the time of the audit did not have a procedure in place to centrally check GSA's EPLS, County departments often add a certification clause to vendor contracts if federal funds are to be used to fund the contract. This certification clause requires vendors to certify that they have not been debarred or suspended from federal procurement. The clause is included to comply with both circulars cited by the auditors.

Notwithstanding the County's existing procedures, the County recognizes the need to strengthen its ability to comply with the subject circulars by including a step in the contracting process that ensures appropriate vendors are checked against GSA's EPLS, certifications are obtained, or contract language is amended. The Office of Procurement will work with the County Attorney's Office, the Department of Finance, and any other appropriate core departments, to identify and implement appropriate revisions to the current processes.

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF PRIOR YEAR FINDINGS
June 30, 2010**

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



**Prepared by the:
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