

MONTGOMERY COUNTY MARYLAND

Report on Expenditures of Federal Awards



Fiscal Year 2015

July 1, 2014 - June 30, 2015
Rockville, Maryland

MONTGOMERY COUNTY MARYLAND

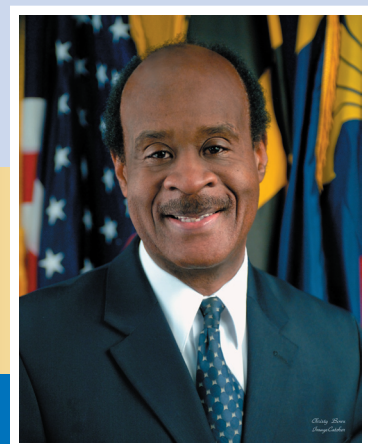
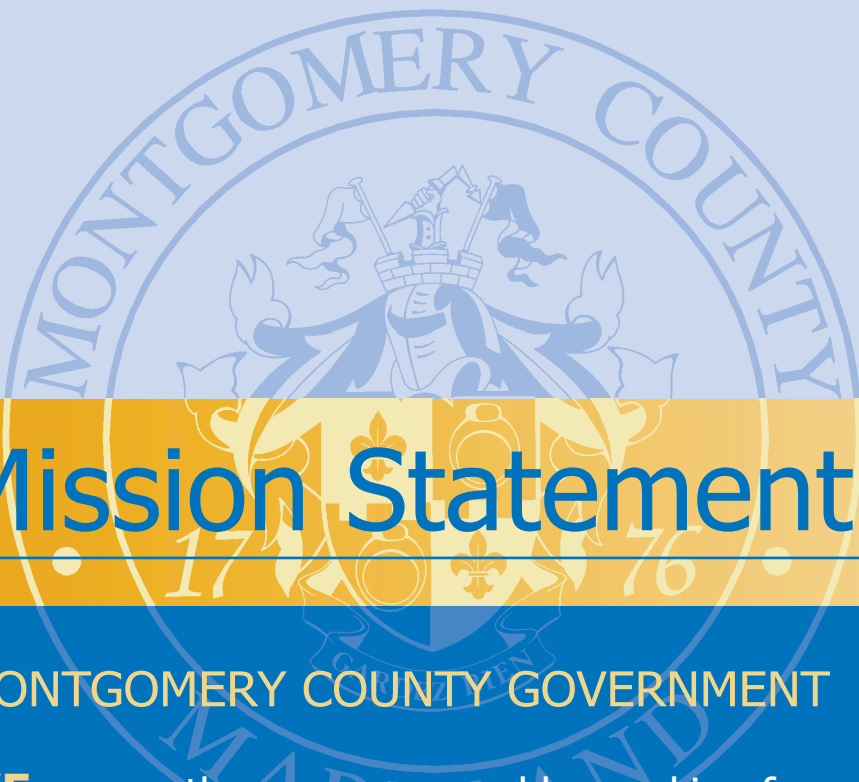
Report on Expenditures Of Federal Awards



Prepared by the
DEPARTMENT OF FINANCE

Joseph F. Beach, Director
101 Monroe Street
Rockville, Maryland 20850
240-777-8860

Fiscal Year 2015
July 1, 2014 - June 30, 2015



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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

MONTGOMERY COUNTY, MARYLAND

**REPORT ON SINGLE AUDIT
JUNE 30, 2015**

INDEPENDENT AUDITORS' REPORTS

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County, Maryland (the County), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 16, 2015. The County's financial statements include the financial statements of the Montgomery County Public Schools, Montgomery County Community College, Housing Opportunities Commission of Montgomery County, Montgomery County Revenue Authority and the Bethesda Urban Partnership, Inc. as described in our report on the County's financial statements. Our audit described below did not include operations of these entities because these entities engaged for their own separate audit in accordance with *Government Audit Standards* and Bethesda Urban Partnership was not audited in accordance with *Government Audit Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Honorable County Council
of Montgomery County, Maryland

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Baltimore, Maryland
December 16, 2015



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited Montgomery County, Maryland's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

The County's financial statements include the operations of the Montgomery County Public Schools, Montgomery Community College, Montgomery County Revenue Authority, Housing Opportunities Commission of Montgomery County and the Bethesda Urban Partnership for the year ended June 30, 2015, 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, 2015. Our audit described below did not include the operations of these entities. We were separately engaged to perform and have separately reported on the results of our audits of the Montgomery County Public Schools, Housing Opportunities Commission of Montgomery County and Montgomery Community College, in accordance with OMB Circular A-133, if required.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, 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 2015-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's' response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001 that we consider to be a significant deficiency.

The Honorable County Council
of Montgomery County, Maryland

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County, Maryland (the County), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 16, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The County's financial statements include the operations of the Montgomery County Public Schools, Montgomery Community College, Montgomery County Revenue Authority, Housing Opportunities Commission of Montgomery County and the Bethesda Urban Partnership for the year ended June 30, 2015. The federal expenditures, where applicable, for the Montgomery County Public Schools, Montgomery Community College, Housing Opportunities Commission of Montgomery County, Montgomery County Revenue Authority and Bethesda Urban Partnership are not included in the schedule of expenditures of federal awards. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Baltimore, Maryland
December 16, 2015

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U. S. Department of Agriculture			
Pass Through Programs From:			
Maryland State Department of Human Resources			
Programs of the SNAP Cluster:			
State Administrative Matching Grant for Food Stamps	10.561	Md. House Bill 669	6,085,735
Subtotal SNAP Cluster			<u>6,085,735</u>
Total U.S. Department of Agriculture			<u>6,085,735</u>
U.S. Department of Defense - Office of Economic Adjustment			
Direct Programs:			
Maryland Crossing Route 355	12.600	none	1,100,002
Base Realignment and Closure (BRAC)	12.607	RA0625-15-08	31,997
Base Realignment and Closure (BRAC)	12.607	RA0625-14-07	105,134
Total U. S. Department of Defense			<u>1,237,133</u>
U. S. Department of Housing and Urban Development			
Direct Programs:			
Programs of the CDBG - Entitlement Grants Cluster:			
Community Development Block Grant (CDBG)	14.218	none	4,227,394
Subtotal CDBG - Entitlement Grants Cluster			4,227,394
Emergency Solutions Grant Program	14.231	none	314,791
Home Investment Partnerships Program	14.239	none	2,366,191
Balance of 06/30/2014 Outstanding Loans as of 06/30/2015	14.239	none	32,374,639
Subtotal Direct Programs			<u>39,283,014</u>
Pass Through Programs From:			
Maryland State Department of Health and Mental Hygiene			
Housing for People with AIDS (HOPWA)	14.241	AD658HOP	507,703
Subtotal Pass Through Programs			<u>507,703</u>
Direct Programs:			
Continuum of Care Homeless Assistance Competition	14.267	FR-56000-N-41	51,685
Total U. S. Department of Housing and Urban Development			<u>39,842,402</u>
U. S. Department of Justice			
Direct Programs:			
SCAAP - States Alien Assistance Program G.F.	16.606	2014-AP-BX-0632	584,351
COPS Universal Hiring Program	16.710	COPS-UHP-2008-1	96,926
DNA Backlog Reduction	16.741	2013-DN-BX-0045	100,000
DNA Backlog Reduction	16.741	2014-DN-BX-0051	715
Enforcement of Protection Orders Program	16.590	2011-WE-AX-0032	3,714
Second Chance Act Reentry Initiative	16.812	2014-RW-BX-0002	6,458
Subtotal Direct Programs			<u>792,164</u>
Pass Through Programs From:			
Governor's Office of Crime Control and Prevention			
Victims of Crime Assistance Program (VOCA)	16.575	VOCA-2013-1416	25,570
Victims of Crime Assistance Program (VOCA)	16.575	VOCA-2014-1516	188,581
Multicultural Intervention Project for Victims of Child Abuse	16.575	VOCA-2013-1453	56,453
Multicultural Intervention Project for Victims of Child Abuse	16.575	VOCA-2014-1553	175,573
S.T.O.P. Violence Against Women Act	16.588	VAWA-2014-1212	60,000
Protective Order Enforcement	16.588	VAWA-2014-1019	39,578
Lethality Assessment Advocate	16.588	VAWA-2013-1811	4,678
Lethality Assessment Advocate	16.588	VAWA-2014-1911	21,190
U.S. Marshall's Office			
FY14 Regional Fugitive - US MARSHALS	16.595	JLEO-14-0128	5,005
FY15 US MARSHALS	16.595	JLEO-15-0128	16,208
Subtotal Pass Through Programs			<u>592,836</u>

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U. S. Department of Justice (continued)			
Justice Assistance Grant (JAG) Cluster:			
Pass Through Programs From:			
Governor's Office of Crime Control and Prevention			
DNA Backlog Outsourcing	16.738	BJAG-2011-0045	35,818
FY13 BJA Grant	16.738	2013-DJ-BX-0495	60,456
FY14 BJA Grant	16.738	2014-DJ-BX-0654	146,084
Cross Border Initiative	16.738	BJAG-2012-0036	14,877
NAPSA Training-LETS	16.738	BJNT-2012-0002	1,764
Crime Laboratory Enhancements	16.742	CFSI-2014-0001	4,133
Maryland Emergency Management Agency (MEMA)			
FY13 BJA Grant	16.738	2012-DJ-BX-1214	185,000
Subtotal Justice Assistance Grant (JAG) Cluster			<u>448,132</u>
Total U. S. Department of Justice			<u>1,833,132</u>
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	P00P5400015-A	81,530
WIA - Adult Program	17.258	POOB4400054-A	440,392
WIA - Adult Program	17.258	P00P5400552-A	614,900
WIA - Youth Programs	17.259	POOB2400013-B	295,917
WIA - Youth Programs	17.259	P00P5400015-B	882,772
WIA - Dislocated Workers	17.278	P00P5400552-C	411,991
WIA - Dislocated Workers	17.278	POOB4400054-C	430,199
WIA - Dislocated Workers	17.278	P00P5400015-C	147,858
Subtotal Workforce Investment Act (WIA) Cluster			<u>3,305,559</u>
Total U. S. Department of Labor			<u>3,305,559</u>
U. S. Department of Transportation			
Pass Through Programs From:			
Metropolitan Washington Council of Governments (COG)			
Programs of the Transit Services Programs Cluster:			
Federal Transit Administration - Bikeshare Program	20.516	DC-37-X024-00	226,688
Subtotal Transit Services Programs Cluster			226,688
Maryland Transit Administration			
Programs of the Federal Transit Cluster:			
RideSharing/Commuter Assistance Grant	20.507	MD-95-CMAQFY15	372,007
Subtotal Federal Transit Cluster			372,007
National Highway Traffic Safety Administration			
Programs of the Highway Safety Cluster:			
FY14 COPS & SHOPS	20.600	GN14-025	7,611
State and Community Highway Safety	20.600	LE-14-089	2,933
Alcohol Open Container Requirements	20.607	LE-15-037	12,760
Subtotal Highway Safety Cluster			<u>23,303</u>
Total U. S. Department of Transportation			<u>621,999</u>
Institute of Museum Library Services			
Pass Through Program From:			
Maryland State Department of Education			
Library Services and Technology Act	45.310	155464-01	625
Total Institute of Museum Library Services			<u>625</u>

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
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	144228-02	10,304
Infants and Families with Disabilities	84.027	154239-02	198,759
Infants and Families with Disabilities	84.027	145286-01	137,509
Infants and Families with Disabilities	84.027	154239-02	231,383
Infants and Families with Disabilities	84.027	144228-05	93,546
Infants and Families with Disabilities	84.173	154239-03	9,000
Subtotal Special Education (IDEA) Cluster			<u>680,501</u>
Summer Youth	84.126	135345	81,196
Montgomery County Department of Economic Development	84.126	155508-01	24,583
Infants and Families with Disabilities	84.181	154229-01	707,634
Infants and Families with Disabilities	84.181	154239-01	215,283
Infants and Families with Disabilities	84.181	144228-01	399,604
Maryland Family Network			
Race to the Top - Early Learning Challenge Grant	84.412	none	33,750
Local Early Childhood Advisory Council	84.412A	145113	131,907
Total U. S. Department of Education			<u>2,274,458</u>
U. S. Department of Health and Human Services			
Direct Programs:			
State Improvement Program	93.586	CIPCW-14-05	13,592
Head Start	93.600	03CH2109/49	4,667,784
Targeted Health Funding - Maternal and Child Health	93.994	none	586,793
Child Support Warrants Reimbursement	93.563	none	3,460
Subtotal Direct Programs			<u>5,271,629</u>
Pass Through Programs From:			
Maryland State Office on Aging			
Special Programs for the Aging - Ombudsman Services	93.042	AAA-3-24-015	73,074
Title III, Part D - Supportive Services and Senior Centers	93.043	AAA-3-24-015	25,279
National Family Care Giver Support	93.052	AAA-3-24-015	347,213
Medicare Improvement for Patients & Providers	93.779	MIPPA ST-2517-014	8,861
Money Follows the Person - Education and Application	93.791	M00B24000380-014	100,925
Programs of the Aging Cluster:			
Title III, Part B - Supportive Services and Senior Centers	93.044	AAA-3-24-015	788,553
Title III, Part C - Nutrition Services	93.045	AAA-3-24-015	1,519,387
Senior Medicare Patrol Expansion	93.048	ST-2514-014	2,560
Nutrition Service Incentive Program	93.053	ST-2505-015	238,904
Nutrition Service Incentive Program	93.053	ST-2505-014	111,986
Subtotal Aging Cluster			<u>2,661,390</u>
Maryland Family Network			
Child Care Resource and Referral Grant	93.575	none	196,592
Early Childhood Mental Health Consultation For Children Birth to Five	93.575	154171-002	14,000
Early Childhood Mental Health Consultation For Children Birth to Five	93.575	164242-001	1,025
Maryland Community Health Resources Commission			
Local Health Improvement Coalition	93.507	LHIC13-006	63,000
Maryland State Department of Human Resources			
Title IV-E Guardianship	93.090	Md. State HB 669	2,928
Title IV-B PSSF Caseworker Visits	93.556	Md. State HB 669	68,200
Programs of the Temporary Assistance for Needy Families (TANF) Cluster:			
Temporary Assistance for Needy Families	93.558	Md. State HB 669	4,463,907
Subtotal Temporary Assistance for Needy Families (TANF) Cluster			<u>4,463,907</u>
Title IV-D - Child Support	93.563	Md. State HB 669	483,454
Child Support Enforcement	93.563	CSEA/CRA-13-043	9,002
Child Support Enforcement	93.563	CSEA/CRA-14-043	179,952
Child Support Enforcement	93.563	CSEA/CRA/15-043	581,579
Low Income Home Energy Assistance	93.568	Md. State HB 669	981,633
Programs of the Child Care and Development Fund (CCDF) Cluster:			
Child Care Mandatory and Matching Funds of the CCDF	93.575	Md. State HB 669	900,064
Child Care and Development Fund (CCDF)	93.596	Md. State HB 669	47,358
Subtotal Child Care and Development Fund (CCDF) Cluster			<u>947,422</u>
Foster Care Title IV-E Administration	93.658	Md. State HB 669	2,567,001
Title IV-E - Adoption	93.659	Md. State HB 669	54,586
Child Abuse and Neglect	93.669	Md. State HB 669	5,490
Children Insurance Program (CHIP)	93.767	Md. State HB 669	305,833
Senior Health Insurance Counseling	93.779	ST-2515-014	61,240
Maryland State Department of Housing and Community Development			
Community Services Block Grant	93.569	DCA/OCA-10-03-013	66,620

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

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)			
Georgetown University			
Programs of the Research and Development Cluster:			
Microbiology Infectious Disease Research - HIV Positive Women	93.855	RX 4335-044-MCH MC	75,673
Microbiology Infectious Disease Research - HIV Positive Women	93.855	2-U01-AI034994-21	16,141
Subtotal Research and Development Cluster			<u>91,814</u>
Prince George's County			
HIV Emergency Relief FY16	93.914	none	505,983
HIV Emergency Relief FY15	93.914	none	1,291,892
Maryland State Department of Health and Mental Hygiene			
Centers for Disease Control and Prevention (CDCP)			
Public Health Emergency Preparedness	93.069	CH822PHP	743,774
Tuberculosis Control	93.116	CH015TBF	284,328
PATH - Transition from Homelessness	93.150	MH170OTH	84,149
Immunization Cooperative Agreements	93.268	CH354IMM	351,195
Maryland Health Benefit Exchange	93.525	HBEIE120127-01	2,829,920
HIV Care Formula	93.917	AD486RWS	895,785
CDC Breast & Cervical Cancer Early Detection Programs	93.752	FHC49BCC	512,350
HIV Prevention Activities Health Department Based	93.940	AD348PRV	522,046
HIV Prevention Activities Health Department Based	93.940	CH632STD	43,702
Community Mental Health Services	93.958	MH234OTH	447,072
Overdose Misuse Prevention	99.959	AS3060MP	36,292
Prevention and Treatment of Substance Abuse	93.959	MU525ADP	374,754
Prevention and Treatment of Substance Abuse	93.959	AS241FED	1,121,892
Children with Special Needs - FY14	93.994	CH501CSN	70,970
Subtotal Pass Through Programs			<u>24,849,981</u>
Programs of the Medicaid Cluster:			
Direct Programs:			
Nursing Home Reimbursement	93.777	none	588,511
Pass Through Programs From:			
Maryland State Department of Human Resources			
Title XIX - Certification	93.778	Md. State HB 669	6,744,087
Title XIX - Health Related Services	93.778	Md. State HB 669	529,019
Maryland State Department of Health and Mental Hygiene			
PWC Eligibility	93.778	MA286ACM	384,175
Medical Assistance - Medicaid Transport	93.778	MA020EPS	379,925
Medical Assistance - Medicaid Transport	93.778	MA366GTS	2,618,068
Medical Assistance Program	93.778	none	3,200,827
Maryland Access Point	93.778	2903-2525-43	31,513
Maryland Health Benefit Exchange	93.778	01-001-13	3,635,935
Subtotal Medicaid Cluster			<u>18,112,060</u>
Children's Health Insurance Program	93.767	MA286ACM	507,890
Children's Health Insurance Program	93.767	MA020EPS	48,848
			<u>556,738</u>
Total U. S. Department of Health and Human Services			<u>48,790,407</u>
Corporation for National and Community Service			
Direct Programs:			
Retired and Senior Volunteer Program	94.002	12SRAMD006	51,472
Retired and Senior Volunteer Program	94.002	15SRAMD001	16,555
Pass Through Programs From:			
Governor's Office on Service and Volunteerism			
Maryland Volunteer Generation Fund	94.021	13 VGFMD 001	21,199
Maryland Volunteer Generation Fund	94.021	14VG163275	12,307
			<u>101,533</u>
Total Corporation for National and Community Service			<u>101,533</u>
U. S. Department of Homeland Security			
Direct Programs:			
National Urban Search and Rescue Response System	97.025	EMW-2012-CA-K00006	231,375
National Urban Search and Rescue Response System	97.025	EMW-2013-CA-K00010	598,107
National Urban Search and Rescue Response System - Washington Mudslides	97.025	EMW-2014-CA-K00057	426,265
Assistant to Fire Fighters Grant	97.044	EMW-2013-FP-01024	25,458
SAFER Grant	97.044	EMW-2011-FH-01115	917,155
Subtotal Direct Programs			<u>2,198,360</u>

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

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 (cont.)			
Pass Through Programs From:			
District of Columbia - Homeland Security and Emergency Management Agency			
FFY13 UASI RADIO CACHE MAINT	97.067	13UASI535-08	117,111
FFY14 UASI RADIO CACHE MAINT	97.067	14UASI535-08	10,002
U. S. Department of Homeland Security (continued)			
FFY13 UASI Exercise and Training Officer	97.067	13UASI535-01	900
FFY14 UASI Exercise and Training Officer	97.067	14USAI535-01	181,330
FY14 Planning, Training & Exercises- Montgomery County (MD 5%)	97.067	14UASI535-10	25,690
FFY13 UASI ALS Surge Equipment	97.067	13UASI535-15	193,624
FFY14 UASI LinX Maintenance	97.067	14UASI535-07	6,712
FFY13 UASI LinX Maintenance	97.067	13UASI535-07	1,713,060
FFY12 UASI LINX	97.067	12UASI536-01	48,363
FY13 Medical Cache Sustainment (MDERS)	97.067	13UASI535-18	38,400
FY13 NIMS Compliance Officer	97.067	13USAI535-02	1,832
FY14 NIMS Compliance Officer	97.067	14UASI535-02	17,681
FY13 UASI SWAT-K9 Integration Training	97.067	13UASI535-14	11,879
FY13 Emergency Service Unit Vehicle	97.067	13UASI535-12	399,164
FY13 Tactical Emergency Casualty Care (TECC)	97.067	13UASI535-17	583,146
FY14 Tactical Emergency Casualty Care (TECC)	97.067	14UASI535-16	168,537
FY13 Tactical Equipment- Montgomery County (MDERS)	97.067	13UASI535-16	383,947
FFY13 EMS Unit Equipment	97.067	13UASI535-13	100,000
FY13 Bomb Squad Equipment (MD 5%)	97.067	13UASI535-11	143,478
FY14 Montgomery County Dual Comm Radios-MD 5%	97.067	14UASI535-12	66,813
FFY13 Volunteer & Citizen Corps Program - MC	97.067	13UASI535-03	205,373
FFY14 Volunteer & Citizen Corps Program - MC	97.067	14UASI535-03	46,619
FY13 Composite Sketch Software for NCR Police Agencies	97.067	13UASI535-19	57,846
FY14 Night Vision Tactical Operating Training	97.067	14UASI535-05	12,591
FY13 Water Operations Equipment	97.067	13UASI535-10	355,441
FFY13 UASI Regional Planning Grant	97.067	13USAI535-04	229,425
FFY14 UASI Regional Planning Grant	97.067	14UASI535-04	128,131
FRS FFY12 UASI WATER OPERATIONS	97.067	12UASI541-04	37,116
FY13 County EOP and COOP Planning	97.067	13USAI535-05	204,474
Maryland Emergency Management Agency			
State Homeland Security Grant Program	97.067	EMW-2013-SS-0002	244,443
State Homeland Security Grant Program	97.067	EMW-2014-SS-00007-S01	29,880
Emergency Management Preparedness	97.042	14-SR-8852-01	322,200
Subtotal Pass Through Programs			<u>6,085,207</u>
Total U.S. Department of Homeland Security			<u>8,283,567</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>112,376,551</u>

MONTGOMERY COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2015

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:

Program Title	CFDA Number	Subrecipient Name	Amount Provide to Subrecipients
Head Start	93.600	Montgomery County Public Schools	3,603,675
Infants and Toddler (I&T)	84.027	Montgomery County Public Schools	10,304
Infants and Toddler (I&T)	84.027	Montgomery County Public Schools	231,383
Infants and Toddler (I&T)	84.181	Montgomery County Public Schools	41,753
Infants and Toddler (I&T)	84.181	Montgomery County Public Schools	215,283
Community Development Block Grant (CDBG)			
CDBG	14.218	City of Rockville	320,645
CDBG	14.218	City of Takoma Park	179,691
Workforce Investment Act (WIA)			
Adult Program	17.258	WSGMC*	897,507
Adult Program	17.258	Latin American Youth Center	45,676
Youth Activities	17.259	Latin American Youth Center	750,506
Youth Activities	17.259	Latin American Youth Center	89,718
Youth Summer Program	17.278	Transcen Inc.	168,766
Dislocated Workers	17.278	WSGMC*	871,641
DORS Summer Youth	81.126	Transcen Inc.	59,586

*Workforce Solutions Group of Montgomery County, Inc. (WSGMC)

NOTE 3 LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS

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

This information is an integral part of the accompanying schedule.

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

PART I – SUMMARY OF AUDITORS’ RESULTS

Financial Statement Section

Type of auditors’ report issued: Unmodified

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

Federal Awards Section

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

Type of auditors’ report on compliance for major programs: Unmodified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.561	Supplemental Nutrition Assistance Program
17.258, 17.259, 17.278	Workforce Investment Cluster
93.558	Temporary Assistance for Needy Families
93.658	Foster Care
93.563	Child Support Enforcement
93.575, 93.596	Child Care Development Fund
93.568	Low Income Home Energy Assistance
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
YEAR ENDED JUNE 30, 2015**

PART II – FINANCIAL STATEMENT FINDINGS SECTION

None noted

PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

Reference Number: 2015-001
Federal Agency: U.S. Department of Health and Human service
Pass-through Agency: State of Maryland - Office of Home and Energy Programs (OHEP)
Federal Program: Low Income Home Energy Assistance (LIHEAP)
CFDA Number: 93.568
Compliance Requirement: Eligibility
Type of Finding: Control and Compliance

Criteria or specific requirement:

Control: The A-102 Common Rule and its attachments found in 34 CFR 80 require that non-Federal entities receiving Federal awards (i.e., management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

Compliance: Code of Maryland Regulations (COMAR) requires applications to be processed by all Local Administering Agencies (LAAs) within a 45-day period from the receipt of the application.

Condition/Context:

18 out of 40 LIHEAP applications tested were not processed within the required 45-day time frame as required by OHEP.

Questioned costs: none noted, no costs were disallowed as a result of the delayed processing of the application.

Cause:

The County received a high volume of applications prior to July 2014, the first day allowed by the State (grantor) to start processing applications. This created a backlog of applications which were not processed within the 45-day State requirement.

Effect:

The County was not in compliance with the pass-through agency's program requirement.

Auditors' Recommendation:

We recommend that the County review their current application acceptance, review and determination procedures to determine if any procedural enhancements are required to ensure compliance requirements are met.

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Views of responsible officials and planned corrective actions:

The following new procedure changes were immediately enacted in order to significantly improve the application process and meet the program compliance requirements.

1. The State of Maryland extended two state funded positions to assist the County with processing applications.
2. Incoming applications will no longer be checked for a FY 13 case file. Only FY 15 and FY 14 will be checked and the case file pulled.
3. Caseworkers must enter their name in the OHEP state database when reviewing a case even if the case worker is not retaining the file in their office.
4. Database approval and denial letters will be generated twice a week and mailed from the State of Maryland's OHEP office.

Agency Contact Name: Rebecca Soubra, Program Manager

Agency Contact Phone Number: 240-777-4034

Anticipated Completion Date: December 31, 2015

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2015**

None Noted



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