

ANNE ARUNDEL COUNTY, MARYLAND

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

For the Year Ended June 30, 2021



S B & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

JUNE 30, 2021

CONTENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE FINANCIAL STATEMENTS	1
REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	4
REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROLS OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE	6
Schedule of Expenditures of Federal Awards	9
Notes to the Schedule of Expenditures of Federal Awards	15
Schedule of Findings and Questioned Costs:	
Section I Summary of Independent Public Accountants' Results	17
Section II Financial Statement Findings	18
Section III Federal Awards Findings and Questioned Costs	19
Section IV Prior Year Findings and Questioned Costs	21
Section V Corrective Action Plans	23



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE FINANCIAL STATEMENTS

The Honorable County Executive and
The Honorable Members of the County Council
Anne Arundel County, Maryland

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Anne Arundel County, Maryland (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements.

Management's Responsibility for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Anne Arundel County Board of Education, Anne Arundel Community College, the Anne Arundel Economic Development Corporation, Tipton Airport Authority, and Anne Arundel Workforce Development Corporation which represents 100% of the assets, net position and revenues of the component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the County, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information for the general, housing initiative and grants funds, the Consolidated Retiree Health Benefits Trust, Employees' Retirement System, Maryland State Retirement and Pension System, and the notes to required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory and statistical sections, combining and individual fund financial statements, and supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The combining and individual fund financial statements, and supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures described above, and the reports of the other auditors, the combining and individual fund financial statements, and supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December, 28, 2021, on our consideration of the County's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal controls over financial reporting and compliance.

Owings Mills, Maryland
December 28, 2021



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

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

The Honorable County Executive and
The Honorable Members of the County Council
Anne Arundel County, Maryland

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Anne Arundel County, Maryland (the County) as of and for the year ended June 30, 2021, 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 28, 2021. Our report includes references to other auditors who audited the financial statements of the Anne Arundel County Board of Education, Anne Arundel Community College, the Anne Arundel Economic Development Corporation, Tipton Airport Authority, and Anne Arundel Workforce Development Corporation, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Controls over Financial Reporting

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

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



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

Compliance and Other Matters

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

Purpose of this Report

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

Owings Mills, Maryland
December 28, 2021

SB & Company, LLC



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

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

The Honorable County Executive and
The Honorable Members of the County Council
Anne Arundel County, Maryland

Report on Compliance for Each Major Federal Program

We have audited Anne Arundel County, Maryland's (the County's) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major Federal programs for the year ended June 30, 2021. The County's major Federal programs are identified in the Summary of Independent Public Accountant's Results section of the accompanying Schedule of Findings and Questioned Costs.

The County's basic financial statements include the operations of the Anne Arundel County Board of Education, Anne Arundel Community College, the Anne Arundel Economic Development Corporation, Tipton Airport Authority, and Anne Arundel Workforce Development Corporation, which received Federal awards that are not included in the accompanying Schedule of Expenditures of Federal Awards. Our audit, described below, did not include the operations of these entities because other auditors were engaged to perform separate audits in accordance with the Uniform Guidance.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our compliance audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 and 2021-002. Our opinion on each major Federal program is not modified with respect to these matters.

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

Report on Internal Controls over Compliance

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

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

A significant deficiency in internal controls over compliance is a deficiency, or a combination of deficiencies, in internal controls over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal controls over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal controls over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal controls over compliance, described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 and 2021-002, that we consider to be deficiencies.

The County's response to the internal controls over compliance findings identified in our audit is described in Section V – Corrective Action plans. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal controls over compliance is solely to describe the scope of our testing of internal controls over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 28, 2021, 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 accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Owings Mills, Maryland
July 20, 2022

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

<u>Federal Agency/ Grant Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Agency</u>	<u>Federal/Pass Through Grant Number</u>	<u>Federal Expenditures</u>	<u>Amounts Passed Through to Subrecipients</u>
Department of Agriculture:					
Women, Infants & Children	10 557	Maryland State Health Department	W1174WIC	\$ 1,034,466	\$ -
Breast Feeding Peer Counselor	10 557	Maryland State Health Department	W1B34BPC	82,357	-
WIC Training & Temp Staffing	10 557	Maryland State Health Department	W1871TRN	359,620	-
Total Department of Agriculture				<u>1,476,443</u>	<u>-</u>
United States Census:					
Census Outreach Grant	11 016	Maryland Department of Planning	USC-MDP-AAC	14,264	-
Total United States Census				<u>14,264</u>	<u>-</u>
Department of Housing and Urban Development:					
<i>CDBG Cluster:</i>					
Community Development Block Grant - CV CARES - COVID-19	14 218	None	B-20-UW-24-0010	35,558	35,558
Community Development Block Grant - CVII CARES - COVID-19	14 218	None	B-20-UW-24-0010	203,667	203,667
Community Development Block Grant - CVIII CARES - COVID-19	14 218	None	B-20-UW-24-0010	346,513	346,513
Community Development Block Grant 2016-2017	14 218	None	B-16-UC-24-0010	609	609
Community Development Block Grant 2017-2018	14 218	None	B-17-UC-24-0010	25,217	25,217
Community Development Block Grant 2018-2019	14 218	None	B-18-UC-24-0010	149,295	149,295
Community Development Block Grant 2019-2020	14 218	None	B-19-UC-24-0010	366,707	366,707
Community Development Block Grant 2020-2021	14 218	None	B-20-UC-24-0010	1,183,796	1,183,796
<i>Total CDBG Cluster</i>				<u>2,311,362</u>	<u>2,311,362</u>
Emergency Shelter Grant - CV CARES - COVID-19	14 231	None	E-20-UW-24-0010	241,777	241,777
Emergency Shelter Grant - CVII CARES - COVID-19	14 231	None	E-20-UW-24-0010	73,552	73,552
Emergency Shelter Grant 2020-2021	14 231	None	E-20-UW-24-0010	78,325	78,325
Emergency Shelter Grant 2019-2020	14 231	None	E-19-UC-24-0010	81,595	81,595
HOME Investment Partnership Program 2018	14 239	None	M-17-UC-24-0200	7,385	7,385
HOME Investment Partnership Program 2019	14 239	None	M-18-UC-24-0200	393,859	393,859
HOME Investment Partnership Program 2020	14 239	None	M-19-UC-24-0200	598,057	598,057
HOME Investment Partnership Program 2021	14 239	None	M-20-UC-24-0200	7,499	7,499
Housing Opportunities for People With Aids 2018-2019	14 241	City of Baltimore	MDH18-F001	425,751	425,751
Housing Opportunities for People With Aids 2018-2019	14 241	City of Baltimore	MDH19-F001	10,766	10,766
Supportive Housing Program (SHP):					
Mental Health Agency-SHOP Consolidated Program	14 267	None	MD0362L3B031903	231,913	231,913
Anne Arundel Partnership for Housing Consolidated	14 267	None	MD0113L3B031912	875,495	875,495
Arundel House of Hope - Safe Haven Consolidated	14 267	None	MD0250L3B031910	115,460	115,460
COC Planning Grant	14 267	None	MD0433L3B031900	58,389	58,389
Arundel House of Hope - Community Housing Consolidated	14 267	None	MD0238L3B031909	70,155	70,155
Housing First Consolidated	14 267	None	MD0271L3B031908	118,827	118,827
Rapid Re-Housing for Families Program	14 267	None	MD0363L3B031903	79,719	79,719
Mental Health Agency-SHOP Consolidated Program	14 267	None	MD0362L3B031802	161,541	161,541
Housing First Consolidated	14 267	None	MD0271L3B031807	48,111	48,111
Arundel House of Hope - Community Housing Consolidated	14 267	None	MD0238L3B031808	41,649	41,649
Rapid Re-Housing for Families Program	14 267	None	MD0363L3B031802	22,615	22,615
Total Department of Housing and Urban Development				<u>6,053,802</u>	<u>6,053,802</u>

The accompanying notes are an integral part of this schedule.

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

<u>Federal Agency/ Grant Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Agency</u>	<u>Federal/Pass Through Grant Number</u>	<u>Federal Expenditures</u>	<u>Amounts Passed Through to Subrecipients</u>
Department of Justice:					
U S Marshal Support Funding	16 000	None	N/A	\$ 14,286	\$ -
Anne Arundel VS Care Team	16 034	Governor's Office of Crime Control & Prevention	2020-VD-BX-0336	7,281	-
Community Based Violence Prevention Program	16 123	None	2017-MU-MU-K003	93,738	58,916
Victims of Crime Assistance	16 575	Governor's Office of Crime Control & Prevention	VOCA-2020-0021	107,951	-
Victims of Crime Assistance	16 575	Governor's Office of Crime Control & Prevention	VOCA-2019-0021	38,593	-
DUI - Justice Assistance Grant	16 579	Governor's Office of Crime Control & Prevention	2019-AP-BX-0108	128,942	-
Danger Assessment Advocate	16 588	Governor's Office of Crime Control & Prevention	VAWA-2020-0021	16,444	-
Danger Assessment Advocate	16 588	Governor's Office of Crime Control & Prevention	VAWA-2019-0021	4,772	-
State Criminal Alien Assistance Program	16 606	None	2016-AP-BX-0687	11,497	-
State Criminal Alien Assistance Program	16 606	None	2019-AP-BX-0108	38,324	-
Restorative Practices	16 738	Governor's Office of Crime Control & Prevention	BJAG-2016-0050	64,638	25,000
Covid-19 BJAG Supplemental	16 738	None	N/A	251,317	-
Byrne Memorial Justice Grant 2019	16 738	None	2018-DJ-BX-0218	34,700	-
Byrne Memorial Justice Grant 2018	16 738	None	2018-DJ-BX-0218	27,428	-
Byrne Memorial Justice Grant 2017	16 738	None	2017-DJ-BX-0551	(2,679)	-
Forensic Casework DNA Backlog 2020	16 741	None	2020-DN-BX-0125	721	-
Forensic Casework DNA Backlog 2019	16 741	None	2019-DN-BX-0067	116,539	-
Forensic Casework DNA Backlog 2018	16 741	None	2018-DN-BX-0053	1,719	-
Paul Coverdell Forensic Science 21	16 742	Governor's Office of Crime Control & Prevention	CFSI-2020-0001	5,703	-
Paul Coverdell Forensic Science 20	16 742	Governor's Office of Crime Control & Prevention	CFSI-2019-0001	26,049	-
Total Department of Justice				<u>987,963</u>	<u>83,916</u>
Department of Labor:					
<i>WIOA Cluster :</i>					
WIA Title 1 Grant: Youth	17 258	Maryland Department of Labor, Licensing & Regulation	P16-AA-PY20	525,631	525,631
WIA Title 1 Grant: Youth	17 258	Maryland Department of Labor, Licensing & Regulation	P06-AA-PY19	90,226	90,226
WIA Title 1 Grant: Adult	17 259	Maryland Department of Labor, Licensing & Regulation	P16-AA-FY21	485,349	485,349
WIA Title 1 Grant: Adult	17 259	Maryland Department of Labor, Licensing & Regulation	P16-AA-PY20	113,061	113,061
WIA Title 1 Grant: Adult	17 259	Maryland Department of Labor, Licensing & Regulation	P06-AA-FY20	2,981	2,981
WIA Title 1 Grant: Dislocated Worker	17 278	Maryland Department of Labor, Licensing & Regulation	P16-AA-FY21	269,697	269,697
WIA Title 1 Grant: Dislocated Worker	17 278	Maryland Department of Labor, Licensing & Regulation	P16-AA-PY20	126,816	126,816
WIA Title 1 Grant: Dislocated Worker	17 278	Maryland Department of Labor, Licensing & Regulation	P06-AA-FY20	451,978	451,978
<i>Total WIOA Cluster</i>				<u>2,065,739</u>	<u>2,065,739</u>
Total Department of Labor				<u>2,065,739</u>	<u>2,065,739</u>
Department of Transportation:					
<i>Highway Planning and Construction Cluster:</i>					
Broadneck Peninsula Trail	20 205	Maryland State Highway Administration	SAFETEA-LUHPP	136,057	-
<i>Total Planning and Construction Cluster</i>				<u>136,057</u>	<u>-</u>
<i>FMCSA Cluster:</i>					
Motor Carrier Assistance Program	20 218	Maryland Motor Vehicle Administration	SHA-MCSAP-2021	7,525	-
Motor Carrier Assistance Program	20 218	Maryland Motor Vehicle Administration	SHA-MCSAP-2020	2,856	-
<i>Total FMCSA Cluster</i>				<u>10,381</u>	<u>-</u>

The accompanying notes are an integral part of this schedule.

ANNE ARUNDEL COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Agency/ Grant Title	Federal Assistance Listing Number	Pass Through Agency	Federal/Pass Through Grant Number	Federal Expenditures	Amounts Passed Through to Subrecipients
Department of Transportation: (continued)					
UPWP Federal Transit Metro Planning 20	20 505	Baltimore Metropolitan Council	UPWP-07020	\$ 66,642	-
<i>Federal Transit Cluster:</i>					
Covid-19 Transportation Formula Grant	20 507	Maryland Mass Transit Administration	AA17CAREA2020	2,005,292	-
Federal Transit Formula	20 507	Maryland Mass Transit Administration	ZD0107	118,810	-
2021 Community Traffic Safety	20 600	Maryland Department of Transportation	LE-AACPD-2021	48,624	-
2020 Community Traffic Safety	20 600	Maryland Department of Transportation	LE-AACPD-2020	24,026	-
<i>Total Federal Transit cluster</i>				2,196,752	-
Hazardous Materials Emergency Preparedness	20 703	Maryland Emergency Management Agency	19-GA-8837-06	22,300	-
Hazardous Materials Emergency Preparedness	20 703	Maryland Emergency Management Agency	17-GA-8837-07	4,732	-
Total Department of Transportation				2,436,864	-
Department of the Treasury:					
Secret Service Task Force	21 016	None	N/A	2,015	-
Treasury Executive Office for Asset Forfeiture (TEOAF)	21 016	None	N/A	7,166	-
Coronavirus Relief Funds (US Treasury CARES) - COVID-19	21 019	None	N/A	51,357,752	24,521,921
Emergency Rental Assistance Funding (ERAP) - COVID-19	21 023	None	N/A	8,656,814	8,656,814
Total Department of the Treasury				60,023,747	33,178,735
National Foundation on Arts and the Humanities:					
Staff Development Grant	45 310	Maryland State Department of Education	521347	15,000	-
Covid-19 IML CARES Funds - COVID-19	45 310	Maryland State Department of Education	521333	28,095	-
MLA 2020 Conference Grant	45 310	Maryland State Department of Education	519502	585	-
Total National Foundation on Arts and the Humanities				43,680	-
Department of Health and Human Services:					
Ombudsman Title VII	93 042	Maryland State Office on Aging	1901MDOAOM 650917/02	19,307	-
Preventive Health Services III D	93 043	Maryland State Office on Aging	1901MDOAPH 650619/02	31,984	-
<i>Aging Cluster:</i>					
Supportive Services III-B	93 044	Maryland State Office on Aging	1901MDOASS 650120/02	40,792	-
Covid-19 IIIB Funding	93 044	Maryland State Office on Aging	2001MDSSC3 654520/02	103,223	-
Legal Aid Bureau III B	93 044	Maryland State Office on Aging	1901MDOASS 650120/02	10,000	10,000
Public Relations/Administration - IIIB	93 044	Maryland State Office on Aging	1901MDOASS 650120/02	313,737	-
Public Relations/Administration - IIIB	93 044	Maryland State Office on Aging	1901MDOASS 650120/02	152,256	-
Public Relations/Administration - IIIB	93 044	Maryland State Office on Aging	1901MDOASS 650119/02	(2,844)	-
IIIB Ombudsman	93 044	Maryland State Office on Aging	2001MDOASS 652120/02	9,222	-
IIIB Ombudsman	93 044	Maryland State Office on Aging	2001MDOASS 652120/02	8,097	-
IIIB Telephone Reassurance	93 044	Maryland State Office on Aging	1901MDOASS 650120/02	3,375	-
Nutrition IIIC-1	93 045	Maryland State Office on Aging	1901MDOACM 650220/02	152,647	-
Nutrition IIIC-1	93 045	Maryland State Office on Aging	1901MDOACM 650220/02	324,462	-
Covid-19 IIIC Home Delivered Meals	93 045	Maryland State Office on Aging	2001MDHDC2 652420/02	1,329	-
Covid-19 IIIC Congregate Meals	93 045	Maryland State Office on Aging	2001MDCMC2 652220/02	665	-
Covid-19 IIIC Congregate Meals	93 045	Maryland State Office on Aging	2001MDCMC2 652220/02	142,494	-
Covid-19 IIIC Nutrition HDC	93 045	Maryland State Office on Aging	2001MDHDC3 654620/02	163,658	-

The accompanying notes are an integral part of this schedule.

ANNE ARUNDEL COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Agency/ Grant Title	Federal Assistance Listing Number	Pass Through Agency	Federal/Pass Through Grant Number	Federal Expenditures	Amounts Passed Through to Subrecipients
Department of Health and Human Services: (continued)					
<i>Aging Cluster: (continued)</i>					
Home Delivery of Meals Title III C	93 045	Maryland State Office on Aging	1901MDOAHD 650320/02	\$ 236,792	\$ -
Home Delivery of Meals Title III C	93 045	Maryland State Office on Aging	1901MDOAHD 650319/02	150,220	-
Nutrition Services Incentive	93 053	Maryland State Office on Aging	1901MDOANS 650520/02	211,578	-
<i>Total Aging Cluster:</i>				2,021,703	10,000
Covid-19 III E Funding	93 052	Maryland State Office on Aging	1901MDOANS 652021/02	122,159	-
National Family Care Giver III E	93 052	Maryland State Office on Aging	1901MDOANS 652021/02	181,865	-
National Family Care Giver III E	93 052	Maryland State Office on Aging	1901MDOANS 652020/02	43,735	-
PHO Emergency Preparedness	93 069	Maryland Department of Health	CH809PHP	372,288	-
PHP: Cities Readiness Initiative	93 069	Maryland Department of Health	CH809PHP	62,822	-
Centers for Medicare/Medicaid Services 20 (MIPPA)	93 071	Maryland State Office on Aging	ST-653821	11,730	-
Centers for Medicare/Medicaid Services 19 (MIPPA)	93 071	Maryland State Office on Aging	ST-653820	5,588	-
Personal Responsibility Education Program	93 092	Maryland Department of Health	FHB76PRE	38,988	-
SAMSHA Respond	93 104	None	1U79SM062450-01	470,269	331,445
COVID-19 Violence and Injury Prevention	93 136	Maryland Department of Health	COV79VIP	35,285	-
Overdose to Action	93 136	Maryland Department of Health	AS437ODA	141,082	-
MAT: Targeted Capacity Extension	93 243	Maryland Department of Health	AS307MAT	280,392	-
Partnership for Success	93 243	Maryland Department of Health	MU333PFS	94,494	77,505
COVID Immunization Cares 1 - COVID-19	93 268	Maryland Department of Health	IZ802COV	257,554	-
COVID Mass Vaccination CARES - COVID-19	93 268	Maryland Department of Health	MV602COV	615,881	-
Immunization Service Delivery	93 268	Maryland Department of Health	CH358IMM	125,532	-
PHO Emergency Preparedness	93 283	Maryland Department of Health	CH809PHP	10,864	-
Senior Health Insurance Program (SHIP)	93 324	Maryland State Office on Aging	2001MDHDC 651520/02	41,700	-
Public Health Crisis Response	93 354	Maryland Department of Health	CH01COV	181,286	-
CARES Act Provider Relief Fund - COVID-19	93 498	None	HHS-28038850779	490,425	-
<i>477 Cluster:</i>					
Maryland Family Network	93 558	Friends of the Family, Inc	MFN-2020-AFSC	30,000	-
<i>Total 477 Cluster</i>				30,000	-
Child Support Enforcement 2021	93 563	Maryland Department of Human Resources	CSEA/CRA-21-032	68,674	-
Child Support Enforcement 2020	93 563	Maryland Department of Human Resources	CSEA/CRA-20-032	37,292	-
CJAC Child Survivors Grant	93 643	Governor's Office of Crime Control Prevention	CJAC-2019-019	17,996	-
<i>Medicaid Cluster:</i>					
Administrative Care Coordinator	93 767	Maryland Department of Health	MA007EPS	46,489	-
PWC Eligibility	93 767	Maryland Department of Health	MA281ACM	88,682	-
Administrative Care Coordinator	93 778	Maryland Department of Health	MA007EPS	232,448	-
PWC Eligibility	93 778	Maryland Department of Health	MA281ACM	663,497	-
M/A General Transportation	93 778	Maryland Department of Health	MA344GTS	1,101,912	-
<i>Total Medicaid Cluster</i>				2,133,028	-

The accompanying notes are an integral part of this schedule.

ANNE ARUNDEL COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Agency/ Grant Title	Federal Assistance Listing Number	Pass Through Agency	Federal/Pass Through Grant Number	Federal Expenditures	Amounts Passed Through to Subrecipients
Department of Health and Human Services: (continued)					
Access Harm Reduction Grant	93 788	Maryland Department of Health	AD783AHR	\$ 251,280	\$ -
State Opioid Response Supplemental	93 788	Maryland Department of Health	BH225SUP	136,561	-
State Opioid Rapid Response	93 788	Maryland Department of Health	BH248SOR	2,135,622	897,243
State Opioid Rapid Response	93 788	Maryland Department of Health	BH201SOR	772,486	347,181
CDC Breast & Cervical Cancer	93 898	Maryland Department of Health	FH425CBC	264,723	-
Ryan White I (Assoc Black Charities)	93 914	City of Baltimore	ABC-19-2403	102,586	-
Ryan White B Support Services	93 917	Maryland Department of Health	AD421RWS	344,334	-
Sexually Transmitted Diseases	93 94	Maryland Department of Health	CH033STD	36,133	-
Program Support for HCV	93 940	Maryland Department of Health	AD778PSH	7,010	-
HIV Prevention Services	93 940	Maryland Department of Health	AD349PRV	102,768	-
Integration of Sexual Health in Recovery	93 959	Maryland Department of Health	AD678INT	39,400	-
Substance Abuse Treatment Services	93 959	Maryland Department of Health	BH001SRT	8,233	-
Opioid Misuse Prevention Program	93 959	Maryland Department of Health	MU002OMP	65,521	20,827
Addictions Prevention	93 959	Maryland Department of Health	MU611ADP	290,458	4,939
Addictions Federal Treatment	93 959	Maryland Department of Health	AS213FED	586,830	-
Title V Child Health Services	93 994	Maryland Department of Health	FH607CHI	381,176	-
Total Department of Health and Human Services				13,469,044	1,689,140
Executive Office of the President					
High Intensity Drug Trafficking Area	95 001	Mercy Hurst University	G19WB0004A	704	-
Total Department of Executive Office of the President				704	-
Department of Homeland Security:					
K-9 Bomb Squad 19	97 008	Maryland Emergency Management Agency	EMW-2019-SS-00064	14,797	-
K-9 Bomb Squad 18	97 008	Maryland Emergency Management Agency	EMW-2018-SS-0023	16,161	-
UASI- Planners 18	97 008	Maryland Emergency Management Agency	EMW-2018-SS-0023	112,320	-
UASI- Planners 19	97 008	Maryland Emergency Management Agency	EMW-2019-SS-00064	46,373	-
UASI- MCCU Vehicle Maintenance 20	97 008	Maryland Emergency Management Agency	EMW-2020-SS-00010	17,511	-
UASI- MCCU Vehicle Maintenance 19	97 008	Maryland Emergency Management Agency	EMW-2019-SS-00064	16,500	-
UASI- Hazardous Material Support 18	97 008	Maryland Emergency Management Agency	EMW-2018-SS-0023	20,698	-
UASI- Hazardous Material Support 19	97 008	Maryland Emergency Management Agency	EMW-2019-SS-00064	23,086	-
UASI- LETPA 19	97 008	Maryland Emergency Management Agency	EMW-2017-SS-00019	7,555	-
UASI- LETPA 18	97 008	Maryland Emergency Management Agency	EMW-2018-SS-0023	9,256	-
UASI- Intelligence Equipment	97 008	Maryland Emergency Management Agency	EMW-2020-SS-00010	434	-
UASI- Intelligence Equipment	97 008	Maryland Emergency Management Agency	EMW-2019-SS-00064	10,785	-
UASI- Intelligence Equipment	97 008	Maryland Emergency Management Agency	EMW-2018-SS-0023	4,596	-
UASI- Closed Circuit Television	97 008	Maryland Emergency Management Agency	EMW-2019-SS-00064	1,368	-
UASI- Closed Circuit Television	97 008	Maryland Emergency Management Agency	EMW-2018-SS-0023	31,842	-
UASI- Tech Ops/Spec Rescue	97 008	Maryland Emergency Management Agency	EMW-2020-SS-00010	6,899	-
UASI- LE Training	97 008	Maryland Emergency Management Agency	EMW-2018-SS-0023	7,080	-
FEMA Covid-19 Disaster Reimbursement	97 036	Maryland Emergency Management Agency	FEMA-4491-DR-MD	2,695,654	-
Water Facility Emergency Generators	97 039	Maryland Emergency Management Agency	FEMA-DR-4038-MD	7,694	-

The accompanying notes are an integral part of this schedule.

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

<u>Federal Agency/ Grant Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Agency</u>	<u>Federal/Pass Through Grant Number</u>	<u>Federal Expenditures</u>	<u>Amounts Passed Through to Subrecipients</u>
Department of Homeland Security: (continued)					
EMPG-State & Local Assistance	97 042	Maryland Emergency Management Agency	EMP-2020-EP-00002	\$ 222,524	\$ -
EMPG-State & Local Assistance	97 042	Maryland Emergency Management Agency	EMW-2019-EP-00004	98,469	-
Covid-19 Assistance to Firefighters Supplemental	97 044	None	EMW-2020-FG-00148	100,370	-
State Homeland Security Program 20	97 067	Maryland Emergency Management Agency	EMW-2020-SS-00010	34,704	-
State Homeland Security Program 19	97 067	Maryland Emergency Management Agency	EMW--2019-SS-00054	136,356	-
State Homeland Security Program 18	97 067	Maryland Emergency Management Agency	EMW--2018-SS-00023	91,137	-
UASI-MCCU Vehicle Maintenance	97 067	Maryland Emergency Management Agency	EMW--2018-SS-00023	16,031	-
Staffing for Adequate Fire and Emergency Response	97 083	None	EMW-2018-FH-00513	2,616,807	-
Total Department of Homeland Security				<u>6,367,007</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 92,939,257</u>	<u>\$ 43,071,332</u>

The accompanying notes are an integral part of this schedule.

ANNE ARUNDEL COUNTY, MARYLAND

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal grant activity of the primary government of Anne Arundel County, Maryland (the County), and is presented on the accrual basis of accounting. Federal awards of component units of the County reporting entity are not included in this Schedule.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted below. These programs represent Federal award programs for fiscal year 2021 cash and non-cash expenditures to ensure coverage of at least 20% of Federally granted funds. Actual coverage is 68% of total cash and non-cash Federal award program expenditures.

<u>Grant Title</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Expenditures</u>
U.S. Department of Treasury		
Coronavirus Relief Fund (CARES)	21.019	\$ 51,357,752
Emergency Rental Assistance Funding (ERAP)	21.023	8,656,814
U.S. Department of Health and Human Services		
Access Harm Reduction Grant/State Opioid Rapid Response	93.788	<u>3,295,949</u>
		<u>\$ 63,310,515</u>

Expenditures of Federal award grant funds are made for the purposes specified by the grantor and are subject to certain restrictions. Expenditures are also subject to audit by the relevant Federal agency. In the opinion of management, disallowed costs, if any, from such audits will not have a material effect on this Schedule or the financial position of the County.

2. INDIRECT COST

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

3. NONCASH ASSISTANCE

The County receives food commodities from the Federal government. During the year ended June 30, 2021, the fair market value of the commodities received was estimated at \$752,092, wholesale value. These commodities are delivered to the Anne Arundel County Food Bank, Inc., an independent organization, which is responsible for distributing the food to eligible County residents. This amount is not included in the Schedule.

ANNE ARUNDEL COUNTY, MARYLAND

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

4. REVOLVING LOAN PROGRAM

The County participates in the Environmental Protection Agency’s Capitalization Grants for State Revolving Funds loan program (Federal Assistance Listing Number 66.458). The amount due to the State of Maryland under this program as of year ended June 30, 2020, was approximately \$47,396,571. Current year activity was a net decrease to the revolving loan program of approximately \$4,609,094, resulting in a balance due to the State of Maryland as of June 30, 2021 of approximately \$42,787,477.

5. MARYLAND STATE DEPARTMENT OF HEALTH

The Maryland State Department of Health pays expenses for employee salaries and employee benefits for certain county programs. The County records these amounts on the Schedule and in its basic financial statements to fully reflect the operations of these programs.

6. RECONCILIATION

Amounts reported in the accompanying Schedule do not agree with amounts reported on the County’s Annual Comprehensive Financial Report (ACFR). The reconciling items between ACFR and the Schedule are as follows:

Grants and aid revenues per ACFR:	
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 160,478,932
Reconciling items:	
Non Federal grants	(67,354,342)
Amounts previously reported on 2020 ACFR:	
93.498 - Provider relief funding previously reported	<u>(185,333)</u>
	<u>(67,539,675)</u>
Total Expenditures of Federal Awards	<u>\$ 92,939,257</u>

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Section I – Summary of Independent Public Accountant’s Results

Section I - Summary of Independent Public Accountants' Results

Financial Statements

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

Federal Awards

Type of Independent Public Accountants’ report issued on compliance for major program:	Unmodified
Internal controls over major program:	
Material weakness(es) identified?	No
Significant deficiencies?	None reported
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) of the Uniform Guidance?	Yes

Identification of Major Programs:

Grant Title	Federal Assistance Listing Number	Federal Expenditures
U.S. Department of Treasury		
Coronavirus Relief Fund (CARES)	21.019	\$ 51,357,752
Emergency Rental Assistance Funding (ERAP)	21.023	8,656,814
U.S. Department of Health and Human Services		
Access Harm Reduction Grant/State Opioid Rapid Response	93.788	3,295,949
		\$ 63,310,515

Threshold for distinguishing between Type A and B programs	\$ 2,788,178
Did the County qualify as a low risk auditee?	Yes

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Section II - Financial Statement Findings

None noted.

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Section III - Federal Award Findings and Questioned Costs

Finding 2021-001

**U.S. Department of Treasury
Federal Assistance Listing Number 21.019 – Coronavirus Relief Funds
Compliance Deficiency over Subrecipient Monitoring
Repeat Findings: No**

Criteria:

A pass-through entity (PTE) must clearly identify to the subrecipient the award as a subaward at the time of subaward (or subsequent subaward modification) by providing the information described in 2 CFR section 200.331(a)(1); all requirements imposed by the PTE on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations, and the terms and conditions of the award (2 CFR section 200.331(a)(2)); and any additional requirements that the PTE imposes on the subrecipient in order for the PTE to meet its own responsibility for the Federal award (e.g., financial, performance, and special reports) (2 CFR section 200.331(a)(3)).

Condition and Context:

For 4 out of 8 selections, the agreement with the subrecipient did not clearly identify the Federal assistance listing. Additionally, the agreement did not contain the information described in 2 CFR section 200.331(a).

Cause:

The County did not inform its subrecipients of Federal requirements included in Uniform Guidance related to procedures required for subrecipient monitoring.

Effect:

The subrecipient may not be in compliance with Uniform Guidance, therefore causing the County to not be in compliance with Uniform Guidance.

Questioned Costs:

None.

Recommendation:

We recommend that the County prepare and maintain a written plan to ensure subrecipients are aware of the Uniform Guidance requirements.

Views of Responsible Officials:

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

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Finding 2021-002

**U.S. Department of Health and Human Services
Federal Assistance Listing Number 93.788 – Access Harm Reduction Grant/State Opioid
Rapid Response
Compliance Deficiency over Subrecipient Monitoring
Repeat Findings: No**

Criteria:

A pass-through entity (PTE) must clearly identify to the subrecipient the award as a subaward at the time of subaward (or subsequent subaward modification) by providing the information described in 2 CFR section 200.331(a)(1); all requirements imposed by the PTE on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations, and the terms and conditions of the award (2 CFR section 200.331(a)(2)); and any additional requirements that the PTE imposes on the subrecipient in order for the PTE to meet its own responsibility for the Federal award (e.g., financial, performance, and special reports) (2 CFR section 200.331(a)(3)).

Condition and Context:

For 1 out of 1 selection, the agreement with the subrecipient did not clearly identify the Federal assistance listing. Additionally, the agreement did not contain the information described in 2 CFR section 200.331(a).

Cause:

The County did not inform its subrecipients of Federal requirements included in Uniform Guidance related to procedures required for subrecipient monitoring.

Effect:

The subrecipient may not be in compliance with Uniform Guidance, therefore causing the County to not be in compliance with Uniform Guidance.

Questioned Costs:

None.

Recommendation:

We recommend that the County prepare and maintain a written plan to ensure subrecipients are aware of the Uniform Guidance requirements.

Views of Responsible Officials:

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

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Section IV – Prior Year Findings and Questioned Costs

Finding 2020-001

Deficiency on Preparation of the Schedule of Expenditures of Federal Award (SEFA)

Repeat Finding: No

Criteria:

The Schedule of Expenditures of Federal Awards (SEFA), while not a part of the basic financial statements, is audited in relation to the basic financial statements, in accordance with the requirements of the Uniform Guidance in conjunction with the basis of accounting. 2 CFR part 200.502 states that the determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs. Generally, the activity pertains to events that require the non-Federal entity to comply with Federal statutes, regulations, and the terms and conditions of Federal awards, such as: expenditure/expense transactions, and the receipt or use of program income.

Condition/Context:

In the process of obtaining the County's Federal expenditures and reconciliations to the general ledger by grant we noted that the amounts were inaccurately reported. The SEFA prepared by the County improperly included program income as a reduction of the total expenditure amount. Expenditures reported on the SEFA were understated by \$138,106.

2021 Status:

Finding was resolved.

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Finding 2020-002

**U.S. Department of Treasury
CFDA 21.019 – Coronavirus Relief Funds
Significant Deficiency in Control and Compliance over Allowable Activities/Costs
Repeat Findings: No**

Criteria:

2 CFR part 200.403 states that except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- b) Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-Federal entity.
- c) Be accorded consistent treatment.
- d) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- e) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also §200.306(b).
- f) Be adequately documented.

Condition and Context:

The County included charges in the amount of \$1,015,000 for the total expenditures reported for the program that were encumbered but not incurred as of year-end.

2021 Status:

Finding was resolved.

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Section V – Corrective Action Plan



**ANNE ARUNDEL COUNTY, MARYLAND
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2021**

Anne Arundel County, Maryland respectfully submits the following corrective action plan for the year ended June 30, 2021.

Audit period: July 1, 2020 – June 30, 2021

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FEDERAL AWARD PROGRAM AUDITS

2021-001 Coronavirus Relief Funds – Federal Assistance Listing No. 21.019

Recommendation: We recommend that the County prepare and maintain a written plan to ensure subrecipients are aware of the Uniform Guidance requirements.

Explanation of disagreement with audit finding: there is no disagreement with the audit finding.

Action taken in response to the finding: The Anne Arundel County Office of Finance will create a written plan to ensure that subrecipients are aware of all the needed Uniform Guidance requirements.

Name of the contact person responsible for the corrective action: Michael Beard, Financial Reporting Manager.

Planned completion date for the corrective action plan: December 31, 2022.

If the Department of the Treasury has questions regarding this plan, then please call Michael Beard at (410) 222-2366.

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Section V – Corrective Action Plan (continued)

2021-002 Access Harm Reduction Grant/State Opioid Rapid Response – Federal Assistance Listing No. 93.788

Recommendation: We recommend that the County prepare and maintain a written plan to ensure subrecipients are aware of the Uniform Guidance requirements.

Explanation of disagreement with audit finding: there is no disagreement with the audit finding.

Action taken in response to the finding: The Anne Arundel County Health Department will create a written plan to ensure that subrecipients are aware of all the needed Uniform Guidance requirements.

Name of the contact person responsible for the corrective action: Mary Lynn Bobbitt, Financial Officer.

Planned completion date for the corrective action plan: December 31, 2022.

If the Department of Health and Human Services has questions regarding this plan, then please call Mary Lynn Bobbitt at (410) 222-7209.