

ANNE ARUNDEL COUNTY, MARYLAND

REPORT ON SINGLE AUDIT

YEAR ENDED JUNE 30, 2018

**ANNE ARUNDEL COUNTY, MARYLAND
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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 Executive and
The Honorable Members of the County Council
Anne Arundel County, 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 Anne Arundel County, Maryland (the County), as of and for the year ended June 30, 2018, 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 21, 2018. Our report includes a reference to other auditors who audited the financial statements of Tipton Airport Authority and the Anne Arundel Workforce Development Corporation as described in our report on the County's financial statements. The County's financial statements also include the Anne Arundel Community College, the Anne Arundel Board of Education, and the Anne Arundel Economic Development Corporation which were separately audited by us. This report does not include the results of our and the other auditors' testing of internal controls over financial reporting or compliance and other matters for 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 that are reported on separately by us and the other auditors. The Anne Arundel County Community College Foundation (which is included in the financial statements of the Anne Arundel Community College) 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 opinions 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.

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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 County'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.

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 21, 2018



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL
OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY 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) compliance with the types of compliance requirements described in the *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, 2018. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of Anne Arundel County Board of Education, the Anne Arundel County Community College, the Anne Arundel Economic Development Corporation, Tipton Airport Authority, and the Anne Arundel Workforce Development Corporation that have been excluded from the accompanying schedule of expenditures of federal awards because these component units engaged other auditors to perform an audit in accordance with Title 2 U.S. Code of Federal Regulation for Federal Awards, where applicable.

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.

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 the audit 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).

The Honorable County Executive and
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Anne Arundel County, Maryland

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, 2018.

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 item 2018-001. Our opinion on each major federal program is not modified with respect to these matters.

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 subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance, 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 employee, 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 a 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.

The Honorable County Executive and
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Anne Arundel County, Maryland

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-001, which we consider to be a significant deficiency.

The County's response to the internal control over compliance findings 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 the response.

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 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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 21, 2018, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
March 15, 2019

**ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

Grant Title	Federal CFDA Number	Pass-through Agency	Pass-Through Identifying Number	Federal Expenditures	Total Expenditures Per Federal CFDA Number	Passed Through to Subrecipients
Department of Agriculture:						
Women, Infants & Children	10.557	Maryland State Health Department	WI174WIC	\$ 1,390,845		
Breast Feeding Peer Counselor	10.557	Maryland State Health Department	WIB34BPC	103,272		
WIC Training & Temp Staffing	10.557	Maryland State Health Department	WI871TRN	334,800	\$ 1,828,917	
Total Department of Agriculture				<u>1,828,917</u>	<u>1,828,917</u>	-
Department of Housing and Urban Development:						
CDBG Entitlement Grants Cluster -						
Community Development Block Grant 2012-2013	14.218	None		436		436
Community Development Block Grant 2014-2015	14.218	None		1,956		1,956
Community Development Block Grant 2015-2016	14.218	None		12,276		12,276
Community Development Block Grant 2016-2017	14.218	None		454,368		454,368
Community Development Block Grant 2017-2018	14.218	None		1,079,862	1,548,898	1,079,862
Total CDBG Entitlement Grants Cluster					1,548,898	1,548,898
Emergency Shelter Grants 2016-2017	14.231	None		72,484		72,484
Emergency Shelter Grants 2017-2018	14.231	None		59,576	132,060	59,576
						<u>132,060</u>
HOME Investment Partnership Program 2016	14.239	None		563,520		563,520
HOME Investment Partnership Program 2017	14.239	None		248,538		248,538
HOME Investment Partnership Program 2018	14.239	None		127,778	939,836	127,778
						<u>939,836</u>
Housing Opportunities for People With AIDS 2016-2017	14.241	City of Baltimore	MDH16-F001	376,554		376,554
Housing Opportunities for People With AIDS 2017-2018	14.241	City of Baltimore	MDH17-F001	10,596	387,150	10,596
						<u>387,150</u>
Mental Health Agency - SHOP Program	14.267	None		10,236		10,236
Anne Arundel Partnership	14.267	None		10,420		10,420
Arundel House of Hope - Safe Haven I	14.267	None		29,609		29,609
Arundel House of Hope - WISH Program	14.267	None		21,315		21,315
Mental Health Agency - Samaritan Housing Program	14.267	None		20,299		20,299
Arundel House of Hope - Community Housing	14.267	None		23,776		23,776
Housing First Project I	14.267	None		30,541		30,541
Housing First Project II	14.267	None		23,254		23,254
Annapolis Area Ministries - Anchor House	14.267	None		10,332		10,332
Housing Commission Permanent Housing	14.267	None		399,726		399,726
Mental Health Agency - SHOP Program	14.267	None		191,110		191,110
Anne Arundel Partnership	14.267	None		292,709		292,709
Arundel House of Hope - Safe Haven I	14.267	None		29,528		29,528
Arundel House of Hope - WISH Program	14.267	None		45,998		45,998
Arundel House of Hope - Safe Haven II	14.267	None		60,217		60,217
Mental Health Agency - Samaritan Housing Program	14.267	None		40,776		40,776
Arundel House of Hope - Community Housing	14.267	None		39,861		39,861
Housing First Project I	14.267	None		36,970		36,970
Housing First Project II	14.267	None		93,297		93,297
CoC Planning Grant	14.267	None		64,016		64,016
CHES Housing Program	14.267	None		86,922		86,922
Rapid Re-Housing for Families Program	14.267	None		57,295	1,618,207	57,295
						<u>1,618,207</u>
Total Department of Housing and Urban Development				<u>4,626,151</u>	<u>4,626,151</u>	<u>4,626,151</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

Grant Title	Federal CFDA Number	Pass-through Agency	Pass-Through Identifying Number	Federal Expenditures	Total Expenditures Per Federal CFDA Number	Passed Through to Subrecipients
Department of Justice:						
Equitable Shared - Drug Enforcement Administration	16.000	None		\$ 543,847	\$ 543,847	
Community Based Violence Prevention Program	16.123	None		111,789	111,789	
Disproportionate Minority Contact	16.540	Governor's Office of Crime Control and Prevention	JSMR-2018-0001	22,421	22,421	
Solving Cold Cases with DNA	16.560	None		5,507		
Paul Coverdell Forensic Science	16.560	Governor's Office of Crime Control and Prevention	BJAG-2016-0014	17,820	23,327	
Victim Witness Notification Specialists	16.575	Governor's Office of Crime Control and Prevention	VOCA-2016-0055	165,138	165,138	
DUI - Justice Assistance Grant	16.579	Governor's Office of Crime Control and Prevention	S17MV02X70	126,541	126,541	
Violence Against Woman Act	16.588	Governor's Office of Crime Control and Prevention	VAWA-2017-0004	9,970		
Danger Assessment Advocate	16.588	Governor's Office of Crime Control and Prevention	VAWA-2016-0064	736		
Danger Assessment Advocate	16.588	Governor's Office of Crime Control and Prevention	VAWA-2017-0057	16,724	27,430	
State Criminal Alien Assistance Program	16.606	None		7,794		
State Criminal Alien Assistance Program	16.606	None		4,892	12,686	
Byrne Memorial Justice Grant 2015	16.738	None		11,873		
Byrne Memorial Justice Grant 2016	16.738	None		50,312		
Medication Assisted Treatment Supplement	16.738	Governor's Office of Crime Control and Prevention	RSAT-2016-0001	32,742		
BJAG Technology Enhancements	16.738	Governor's Office of Crime Control and Prevention	BJAG-2015-0035	20,090	115,017	
Forensic Casework DNA Backlog 2015	16.741	None		15,940		
Forensic Casework DNA Backlog 2016	16.741	None		67,233	83,173	
Total Department of Justice				1,231,369	1,231,369	-
Department of Labor:						
WIA Cluster -						
WIA Title 1 Grant: Youth	17.258	Maryland Department of Labor, Licensing & Regulation	P00P74AAPY16, P00P84AAPY17	595,035	595,035	595,035
WIA Title 1 Grant: Adult	17.259	Maryland Department of Labor, Licensing & Regulation	P00P74AAFY17, P00P84AAPY17, P00P84AAFY18	1,083,626	1,083,626	1,083,626
WIA Title 1 Grant: Dislocated Workers	17.278	Maryland Department of Labor, Licensing & Regulation	P00P74AAFY17, P00P84AAPY17, P00P84AAFY18	807,857	807,857	807,857
Total WIA Cluster					2,486,518	
Total Department of Labor				2,486,518	2,486,518	2,486,518
Department of Transportation:						
Highway Planning and Construction Cluster -						
Chesterfield Road Bridge/Beacon Ridge Bridge	20.205	State Highway Administration	AA810ZN2	\$ 73,091		
Sands Road Bridge Replacement	20.205	State Highway Administration	AA563ZMI	151,160		
South Shore Trail	20.205	State Highway Administration	P372-TEP-TEA21	260,838	485,089	
Total Highway Planning and Construction Cluster					485,089	
UPWP Federal Transit Metro Planning 14	20.505	Baltimore Metropolitan Council	UPWP-070114	(5,165)		
UPWP Federal Transit Metro Planning 18	20.505	Baltimore Metropolitan Council	UPWP-070118	53,645	48,480	
Motor Carrier Assistance Program	20.218	Motor Vehicle Administration	SHA-MCAP-2018	4,869	4,869	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

Grant Title	Federal CFDA Number	Pass-through Agency	Pass-Through Identifying Number	Federal Expenditures	Total Expenditures Per Federal CFDA Number	Passed Through to Subrecipients
Department of Transportation, continued:						
Federal Transit Cluster -						
Federal Transit Formula	20.507	Mass Transit Administration	ZC0207	138,648	138,648	
Total Federal Transit Cluster					138,648	
Cowhide Stream Restoration	20.318	State Highway Administration	AA4135125	682,581	682,581	
Highway Safety Cluster -						
2017 Community Traffic Safety	20.601	Maryland Department of Transportation	P-2017-018	10,309		
2018 Community Traffic Safety	20.601	Maryland Department of Transportation	2018-024-026-027-029	55,990	66,299	
Total Highway Safety Cluster					66,299	
Hazardous Materials Emergency Preparedness	20.703	Maryland Emergency Management Agency	HM-HMP-0546-16-01	4,500	4,500	
Total Department of Transportation				1,430,466	1,430,466	-
National Endowment for the Humanities						
Staff Development 17	45.310	Maryland State Department of Education	LS-00-16-0021-16	\$ 2,500		
Staff Development 18	45.310	Maryland State Department of Education	LS-00-17-0021-17	15,000		
MLA 2018 Conference Grant	45.310	Maryland State Department of Education	LS-00-17-0021-17	4,523	\$ 22,023	
Total National Endowment for the Humanities				22,023	22,023	
Department of Health and Human Services:						
Ombudsman/Elder Abuse Title VII	93.042	Maryland State Office of Aging	AAA-3-24-002 650917/02	33,687	33,687	
Preventive Health Services III D	93.043	Maryland State Office of Aging	AAA-3-24-002 650617/02	3,589	3,589	
Aging Cluster -						
Senior Care Title III-B	93.044	Maryland State Office of Aging	AAA-3-24-002 650117/02	125,030		
Legal Aid Bureau III B	93.044	Maryland State Office of Aging	AAA-3-24-002 650117/02	40,000		40,000
IIIB Telephone Reassurance	93.044	Maryland State Office of Aging	AAA-3-24-002 650117/02	8,842	173,872	
Nutrition IIIC-1	93.045	Maryland State Office of Aging	AAA-3-24-002 650217/02	460,252		
Home Delivery of Meals Title III C	93.045	Maryland State Office of Aging	AAA-3-24-002 650317/02	289,975	750,227	
Nutrition Services Incentive	93.053	Maryland State Office of Aging	ST-6505-002 650517/02	135,689	135,689	
Total Aging Cluster					1,059,788	
Public Relations/Administration - IIIB	93.048	Maryland State Office of Aging	AAA-3-24-002 650117/02	191,400	191,400	
National Family Care Givers III E	93.052	Maryland State Office of Aging	AAA-3-24-002 652017/02	257,152	257,152	
Public Health Emergency Preparedness	93.069	Maryland State Department of Health and Mental Hygiene	CH909PHP	452,643		
Cities Readiness Initiative	93.069	Maryland State Department of Health and Mental Hygiene	CH909PHP	84,332	536,975	
Centers for Medicare/Medicaid Services 17	93.071	Maryland State Department of Health and Mental Hygiene	ST-6515-002	7,881		
Centers for Medicare/Medicaid Services 18 (MIPPA)	93.071	Maryland State Department of Health and Mental Hygiene	ST-651518-002	15,898	23,779	
Personal Responsibility Education Program	93.092	Maryland State Department of Health and Mental Hygiene	FHB76PRE	66,543	66,543	
SAMSHA Respond	93.104	None		1,021,113	1,021,113	937,953
Adult Drug Court Training Initiative	93.243	None		90,114		
MAT: Prescription Drug & Opioid Addiction	93.243	Maryland State Department of Health and Mental Hygiene	AS307MAT	156,760		
Partnership for Success	93.243	Maryland State Department of Health and Mental Hygiene	MU333PFS	150,863	397,737	137,253

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

Grant Title	Federal CFDA Number	Pass-through Agency	Pass-Through Identifying Number	Federal Expenditures	Total Expenditures Per Federal CFDA Number	Passed Through to Subrecipients
Department of Health and Human Services, continued:						
Immunization Service Delivery	93.268	Maryland State Department of Health and Mental Hygiene	CH358IMM	111,170	111,170	
CDC Breast & Cervical Cancer	93.283	Maryland State Department of Health and Mental Hygiene	FH425CBC	150,000	150,000	
Centers for Medicare/Medicaid Services 18 (SHIP)	93.324	Maryland State Department of Health and Mental Hygiene	ST-651518-002	19,880	19,880	
Health Center Program Cluster - Overdose Education & Naloxone Total Health Center Program Cluster	93.527	Maryland State Department of Health and Mental Hygiene	AS310ODN	126,075	<u>126,075</u>	
Temporary Assistance for Needy Families Cluster - Maryland Family Network Total Temporary Assistance for Needy Families Cluster	93.558	Friends of the Family	MFN/DSS-2018	\$ 30,000	<u>\$ 30,000</u>	
Child Support Enforcement 2017	93.563	Maryland Department of Human Resources	CSEA/CRA-17-032	148,063		
Child Support Enforcement 2018	93.563	Maryland Department of Human Resources	CSEA/CRA-18-032	217,271	365,334	
Foster Care Court Improvement 17	93.586	Maryland Judiciary	S17CW0526P	12,361		
Foster Care Court Improvement 18	93.586	Maryland Judiciary	G18CW0126P	7,901	20,262	
LETS Training Grant	93.643	Governor's Office of Crime Control and Prevention	BJAG-2013-0069	(1,606)		
Children's Justice Act	93.643	Governor's Office of Crime Control and Prevention	CJAC-2017-0001	1,780	174	
Administrative Care Coordinator PWC Eligibility	93.767	Maryland State Department of Health and Mental Hygiene	MA007EPS	48,249		
	93.767	Maryland State Department of Health and Mental Hygiene	MA281ACM	107,342	155,591	
Medicaid Cluster - Administrative Care Coordinator PWC Eligibility	93.778	Maryland State Department of Health and Mental Hygiene	MA007EPS	223,175		
	93.778	Maryland State Department of Health and Mental Hygiene	MA281ACM	592,210		
M/A General Transportation	93.778	Maryland State Department of Health and Mental Hygiene	MA344GTS	1,456,697		
Hospital to Home Partnership Total Medicaid Cluster	93.778	Maryland State Office of Aging	690418/02, 590618/02	70,030	<u>2,342,112</u>	
					2,342,112	
Maryland Opioid Rapid Response	93.788	Maryland State Department of Health and Mental Hygiene	AS002CTG	641,723	641,723	225,000
Ryan White I (Assoc Black Charities)	93.914	City of Baltimore	ABC-17-2403	139,287	139,287	
Ryan White B Support Services Sexually Transmitted Diseases	93.917	Maryland State Department of Health and Mental Hygiene	AD421RWS	73,555		
	93.917	Maryland State Department of Health and Mental Hygiene	CH033STD	37,087	110,642	
HIV Prevention Services Sexually Transmitted Diseases	93.940	Maryland State Department of Health and Mental Hygiene	AD349PRV	80,368		
	93.940	Maryland State Department of Health and Mental Hygiene	CH033STD	116,276	196,644	
Integration of Sexual Health in Recovery Opioid Misuse Prevention	93.959	Maryland State Department of Health and Mental Hygiene	AD678INT	7,330		
	93.959	Maryland State Department of Health and Mental Hygiene	AS289OMP	80,392		
Addictions Prevention	93.959	Maryland State Department of Health and Mental Hygiene	AS002SAS	290,192		
Addictions Federal Treatment	93.959	Maryland State Department of Health and Mental Hygiene	AS213FED	1,221,474		
Health Administrative Grant	93.959	Maryland State Department of Health and Mental Hygiene	AS344ADM	311,589		
HIV Testing in Behavioral Health	93.959	Maryland State Department of Health and Mental Hygiene	AD718TBH	18,328	1,929,305	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

Grant Title	Federal CFDA Number	Pass-through Agency	Pass-Through Identifying Number	Federal Expenditures	Total Expenditures Per Federal CFDA Number	Passed Through to Subrecipients
Department of Health and Human Services, continued:						
Sexually Transmitted Diseases	93.977	Maryland State Department of Health and Mental Hygiene	CH033STD	27,161	27,161	
Core Public Health Services	93.994	Maryland State Department of Health and Mental Hygiene	CH553CFT	401,832	401,832	
Total Department of Health and Human Services				10,358,955	10,358,955	1,340,206
Executive Office of the President						
High Intensity Drug Trafficking Area	95.001	Mercy Hurst University	G17WB0004A	\$ 117,292	\$ 117,292	
Total Corporation for National and Community Service				117,292	117,292	-
Department of Homeland Security:						
Emergency Management Support Program	97.008	Maryland State Emergency Management Agency	EMW-2015-SS-00007-S01	57,714		
K-9 Bomb Squad	97.008	Maryland State Emergency Management Agency	EMW-2017-SS-00019-S01	8,933		
Hazard Mitigation	97.008	Maryland State Emergency Management Agency	HMP-MEMA-2017	27,840		
UASI - Planners	97.008	Maryland State Emergency Management Agency	HMP-MEMA-2017	99,287		
UASI - Sheltering	97.008	Maryland State Emergency Management Agency	EMW-2015-SS-00007-S01	4,679		
UASI - MCCU Vehicle Maintenance	97.008	Maryland State Emergency Management Agency	EMW-2016-SS-00008-UASI	3,475		
UASI - Incident Management Training	97.008	Maryland State Emergency Management Agency	EMW-2015-SS-00007-S01	41,981		
UASI - Hazardous Material Support	97.008	Maryland State Emergency Management Agency	EMW-2017-SS-00019-S01	32,426		
UASI - Intelligence Equipment	97.008	Maryland State Emergency Management Agency	EMW-2017-SS-00019-S01	4,810		
UASI - Closed Circuit Television	97.008	Maryland State Emergency Management Agency	EMW-2016-SS-00008-UASI	18,031		
UASI - Ambulance Buses	97.008	Maryland State Emergency Management Agency	EMW-2017-SS-00019-S01	17,361		
UASI - Tactical Equipment	97.008	Maryland State Emergency Management Agency	EMW-2015-SS-00007-S01	40,478		
UASI - Tech Training WEB EOC	97.008	Maryland State Emergency Management Agency	EMW-2015-SS-00007-S01	4,090	361,105	
Housing Elevation - HMGP	97.039	Maryland State Emergency Management Agency	HMGP-2254 Lake Drive	27,965	27,965	27,965
Emergency Management Performance Program	97.042	Maryland State Emergency Management Agency	EMW-2017-EP-00001-S01	197,202	197,202	
Assistance to Firefighters - 17	97.044	None		17,474	17,474	
MIEMSS Emergency Support	97.067	Maryland State Emergency Management Agency	EMW-SS-00008-S01	31,659		
State Homeland Security Program	97.067	Maryland State Emergency Management Agency	EMW-2017-SS-00019-S01	222,186		
State Homeland Security Program (Fire)	97.067	Maryland State Emergency Management Agency	EMW-2015-SS-00007-S01	526	254,371	
Total Department of Homeland Security				858,117	858,117	27,965
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 22,959,808	\$ 22,959,808	\$ 8,480,840

See accompanying Notes to Schedule of Expenditures of Federal Awards.

ANNE ARUNDEL COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

NOTE 1 BASIS OF PRESENTATION

The County reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other state and local governmental agencies and nonprofit organizations are included in the accompanying schedule. The accompanying schedule is presented using the modified accrual basis of accounting as described in Note 1 to the County's basic financial statements. 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.

Expenditures presented represent only the federally funded portions of the grant programs. 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 the Schedule or on the financial position of the County. Compliance testing of all applicable compliance requirements, as described in Title 2 U.S. Code of Federal Regulations Part 200, was performed for all major programs.

Federal awards, if any, of the Anne Arundel County Retirement and Pension System, the Anne Arundel Other Post Employment Plan Trust, the Anne Arundel County Board of Education, the Anne Arundel Community College, the Public Library of Annapolis and Anne Arundel County, the Anne Arundel Economic Development Corporation, Inc., the Tipton Airport Authority, and the Anne Arundel Workforce Development Corporation, component units, are not included in the schedule.

NOTE 2 FISCAL PERIOD AUDITED

Single audit testing procedures were performed for transactions occurring during the fiscal year ended June 30, 2018.

NOTE 3 CATEGORIZATION OF EXPENDITURES

The categorization of expenditures by program included in the Schedule of Expenditures of Federal Awards is based on the Catalog of Federal Domestic Assistance (CFDA). Changes in the categorization of expenditures occur based on revisions to the CFDA, which are issued in June and December of each year. In accordance with the County's policy, the Schedule of Expenditures of Federal Awards for the year ended June 30, 2018, reflects CFDA changes issued through June 2018.

ANNE ARUNDEL COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

NOTE 4 INDIRECT COSTS

The County did not elect to use the 10% de Minimis cost rate for indirect costs.

NOTE 5 NONCASH ASSISTANCE

The County receives food commodities from the federal government. During the year ended June 30, 2018, the fair market value of the commodities received was estimated at \$413,069 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 of Expenditures of Federal Awards.

NOTE 6 REVOLVING LOAN PROGRAM

The County participates in the Environmental Protection Agency's Capitalization Grants for State Revolving Funds loan program (federal catalog number 66.458). The amount due to the state of Maryland under this program as of year ended June 30, 2017, was approximately \$55,927,739 and current year activity was a net decrease to the revolving loan program of approximately \$2,579,227 resulting in a balance due to the state of Maryland as of June 30, 2018 of approximately \$53,348,512.

NOTE 7 MARYLAND STATE DEPARTMENT OF HEALTH AND MENTAL HYGIENE

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

**ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? x yes _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)? x yes _____ no

Identification of Major Federal Programs

CFDA Number(s)

10.557
14.267
17.258, .259, .278
20.318
93.775, .777, .778
93.788

Name of Federal Program or Cluster

Special Supplemental Food Program (WIC)
Continuum of Care Program
WIOA Cluster
Motor Carrier Assistance Program
Medicaid Cluster
Maryland Opioid Rapid Response

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes x no

**ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

Section II – Financial Statement Findings

None were reported.

**ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

Section III – Findings and Questioned Costs – Major Federal Programs

Finding Reference: **2018-001**
Federal Agency: U.S. Department of Health and Human Services
Federal Program: Opioid STR – Grant #AS002CTG
CFDA Number: 93.788
Compliance Requirement: Subrecipient Monitoring
Award Period: 10/1/2017 – 4/30/2019
Type of Finding: Significant Deficiency, Non-compliance

Criteria

2 CFR §200.331(f) requires that all pass-through entities must verify that every subrecipient is audited as required by Subpart F—Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

2 CFR §200.501(d) requires that a non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in §200.503 Relation to other audit requirements, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

Condition/Context

The County was unable to produce evidence that the single audit was reviewed for 3 of 4 subrecipients for the respective fiscal year, as noted below in 2 CFR §200.331(f). For subrecipients exempt from an audit of Federal awards, as noted below in 2 CFR §200.501(d), notification was not received to note exemption and that records are available for review.

Cause

The County does not have effective controls in place for ensuring that all requirements for pass-through entities are met, as found in 2 CFR §200.331.

Effect

The audit of subrecipients was not verified. Therefore, it was not in compliance with 2 CFR §200.331(f).

Repeat Finding

No, this is not a repeat finding.

Questioned Costs

None.

**ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

Recommendation

We recommend that the County review and enhance their current subrecipient monitoring procedures to include requirements found in 2 CFR §200.331(f), and distribute to all Departments that expend Federal awards.

Views of the Responsible Officials

There were no disagreements with the audit finding.

**ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2018**

2017-001

Federal Agency: U.S. Department of Health and Human Services
Federal Program: 93.104 – Substance Abuse and Mental Health Services Administration – Grant #1U79SM062450-01
Compliance Requirement: Subrecipient Monitoring

Current Status: Fully corrected. The corrective measures have been put into place.

2017-002

Federal Agency: U.S. Department of Health and Human Services
Federal Program: 93.044, .045, .053 – Aging Cluster – Grant #AAA-3-24-002
93.959 – Block Grant for Prevention and Treatment of Substance Abuse – Grant #AS289OMP
Compliance Requirement: Allowable Costs

Current Status: Fully corrected. The corrective measures have been put into place.

2017-003

Federal Agency: U.S. Department of Homeland Security and U.S. Department of Health and Human Services
Federal Program: 97.036 – Disaster Grants – Public Assistance – Grant #FEMA-4261-DR-MD
93.104 – Substance Abuse and Mental Health Services Administration – Grant #1U79SM062450-01
93.959 – Block Grant for Prevention and Treatment of Substance Abuse – Grant #AS213FED
Compliance Requirement: Reporting

Current Status: Fully corrected. The corrective measures have been put into place.



**ANNE ARUNDEL COUNTY, MARYLAND
CORRECTIVE ACTION PLAN
YEAR ENDED JULY 30, 2018**

Anne Arundel County, Maryland respectfully submits the following corrective action plan for the year ended June 30, 2018.

Audit period: July 1, 2017 – June 30, 2018.

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—FINANCIAL STATEMENT AUDIT

None were reported.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

2018-001 Opioid STR – CFDA No. 93.788

Recommendation: We recommend that the County review and enhance their current procedures for subrecipient monitoring to ensure that all requirements for pass-through entities, found in 2 CFR §200.331, are met.

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

Action taken in response to finding: The County's current written procedure governing the monitoring of Federal sub-grant recipients will be updated to specifically include a requirement to verify a subrecipient of Federal funds has conducted an annual Single Audit or that their annual spending of Federal funds is below the \$750,000 Federal threshold required for a Single Audit. This updated procedure will be distributed to all Department of Health staff responsible for monitoring all subrecipients. This updated procedure will also require monitoring procedures so management can ensure compliance.

Name(s) of the contact person(s) responsible for corrective action: Mary Lynn Bobbitt, Deputy Director of Finance, Anne Arundel County Department of Health.

Planned completion date for corrective action plan: May 1, 2019.

If the Oversight Agency has questions regarding this plan, please call M. Michael Beard at (410) 222-2366.