

ANNE ARUNDEL COUNTY, MARYLAND

REPORT ON SINGLE AUDIT

YEAR ENDED JUNE 30, 2019

**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, 2019, 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 20, 2019. 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 Community College Foundation (which is included in the financial statements of the Anne Arundel County Community College) was not audited in accordance with *Government Auditing 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.

The Honorable County Executive and
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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 results 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 20, 2019



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, 2019. 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 the 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).

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.

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

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, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not 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 employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

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 2019-001, which we consider to be a significant deficiency.

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

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on 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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 20, 2019, 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

Baltimore, Maryland
March 10, 2020

ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

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	\$ 1,321,090		
Breast Feeding Peer Counselor	10.557	Maryland State Health Department	WIB34BPC	27,060		
WIC Training & Temp Staffing	10.557	Maryland State Health Department	WI871TRN	359,126	\$ 1,707,276	
Total Department of Agriculture				<u>1,707,276</u>	<u>1,707,276</u>	\$ -
Department of Housing and Urban Development:						
CDBG Entitlement Grants Cluster -						
Community Development Block Grant 2014-2015	14.218	None		1,685		1,685
Community Development Block Grant 2015-2016	14.218	None		6,635		6,635
Community Development Block Grant 2016-2017	14.218	None		188,871		188,871
Community Development Block Grant 2017-2018	14.218	None		509,286		509,286
Community Development Block Grant 2018-2019	14.218	None		1,342,807	2,049,284	1,342,807
Total CDBG Entitlement Grants Cluster					<u>2,049,284</u>	<u>2,049,284</u>
Emergency Shelter Grants 2017-2018						
Emergency Shelter Grants 2018-2019	14.231	None		104,027		104,027
	14.231	None		<u>62,372</u>	166,399	<u>62,372</u>
						166,399
HOME Investment Partnership Program 2016						
HOME Investment Partnership Program 2017	14.239	None		112,958		112,958
HOME Investment Partnership Program 2018	14.239	None		52,949		52,949
HOME Investment Partnership Program 2019	14.239	None		470,815		470,815
	14.239	None		<u>303,824</u>	940,546	<u>303,824</u>
						940,546
Housing Opportunities for People With AIDS 2016-2017						
Housing Opportunities for People With AIDS 2017-2018	14.241	City of Baltimore	MDH16-F001	1,262		1,262
Housing Opportunities for People With AIDS 2018-2019	14.241	City of Baltimore	MDH17-F001	334,782		334,782
	14.241	City of Baltimore	MDH18-F001	<u>7,165</u>	343,209	<u>7,165</u>
						343,209
Mental Health Agency-SHOP Program						
Anne Arundel Partnership	14.267	None		11,142		11,142
Arundel House of Hope - Safe Haven I	14.267	None		43,902		43,902
Arundel House of Hope - WISH Program	14.267	None		25,701		25,701
Mental Health Agency-Samaritan Housing Program	14.267	None		14,707		14,707
Arundel House of Hope - Community Housing	14.267	None		26,249		26,249
Housing First Project I	14.267	None		20,243		20,243
Housing First Project II	14.267	None		23,519		23,519
Rapid Re-Housing for Families Program	14.267	None		28,663		28,663
Housing Commission Permanent Housing	14.267	None		35,595		35,595
Mental Health Agency-SHOP Program	14.267	None		229,812		229,812
Anne Arundel Partnership	14.267	None		192,244		192,244
Arundel House of Hope - Safe Haven I	14.267	None		458,749		458,749
Arundel House of Hope - Safe Haven I	14.267	None		51,744		51,744
Arundel House of Hope - WISH Program	14.267	None		49,166		49,166
Arundel House of Hope - Safe Haven II	14.267	None		63,202		63,202
Mental Health Agency-Samaritan Housing Program	14.267	None		36,575		36,575
Arundel House of Hope - Community Housing	14.267	None		45,695		45,695
Housing First Project I	14.267	None		36,664		36,664
Housing First Project II	14.267	None		94,960		94,960
CHES Housing Program	14.267	None		102,897		102,897
Rapid Re-Housing for Families Program	14.267	None		111,116		111,116
COC Planning Grant	14.267	None		67,000	1,769,545	67,000
Total Department of Housing and Urban Development				<u>5,268,983</u>	<u>5,268,983</u>	<u>5,268,983</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, 2019

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:						
Community Based Violence Prevention Program	16.123	None		\$ 171,968	\$ 171,968	\$ 32,500
Victim Witness Notification Specialists	16.575	Governor's Office of Crime Control and Prevention	VOCA-2016-0055	29,300		
Victim Witness Notification Specialists	16.575	Governor's Office of Crime Control and Prevention	VOCA-2017-0039	74,542	103,842	
DUI - Justice Assistance Grant	16.579	Governor's Office of Crime Control and Prevention	N19-0015X90	129,059	129,059	
Violence Against Woman Act	16.588	Governor's Office of Crime Control and Prevention	VAWA-2017-0004	9,128		
Danger Assessment Advocate	16.588	Governor's Office of Crime Control and Prevention	VAWA-2017-0057	5,930		
Danger Assessment Advocate	16.588	Governor's Office of Crime Control and Prevention	VAWA-2018-0014	13,101	28,159	
State Criminal Alien Assistance Program	16.606	None		2,800		
State Criminal Alien Assistance Program	16.606	None		4,200		
State Criminal Alien Assistance Program	16.606	None		19,896		
State Criminal Alien Assistance Program	16.606	None		1,582		
State Criminal Alien Assistance Program	16.606	None		21,710	50,188	
BJAG Technology Enhancements	16.738	Governor's Office of Crime Control and Prevention	BJAG-2015-0035	19,507		
Medication Assisted Treatment	16.738	Maryland Department of Health	RSAT-2017-0005	18,195		
LETS Training Grant	16.738	Governor's Office of Crime Control and Prevention	BJNT-2015-0066	4,500		
Byrne Memorial Justice Grant 2016	16.738	None		11,635		
Byrne Memorial Justice Grant 2016	16.738	None		150,565	204,402	
Forensic Casework DNA Backlog 2016	16.741	None		8,743		
Forensic Casework DNA Backlog 2017	16.741	None		108,115		
Forensic Casework DNA Backlog 2016	16.741	None		28,721	145,579	
Paul Coverdell Forensic Science	16.742	Governor's Office of Crime Control & Prevention	BJAG-2016-0014	9,566	9,566	
Equitable Shared - Department of Justice	16.922	None		836,037	836,037	
Total Department of Justice				1,678,800	1,678,800	32,500
Department of Labor:						
WIOA Cluster - WIA Title 1 Grant: Adult	17.258	Maryland Department of Labor, Licensing & Regulation	P00P84AAPY17 P00P84AAPY18, P00P84AAPY17, P00P84AAFY18,	1,000,126	1,000,126	1,000,126
WIA Title 1 Grant: Youth	17.259	Maryland Department of Labor, Licensing & Regulation	P00P94AAFY19 P00P84AAPY17, P00P84AAFY18, P00P84AAPY18,	781,114	781,114	781,114
WIA Title 1 Grant: Dislocated Workers Total WIOA Cluster	17.278	Maryland Department of Labor, Licensing & Regulation	P00P94AAFY19	846,126	846,126 2,627,366	846,126
Total Department of Labor				2,627,366	2,627,366	2,627,366
Department of Transportation:						
Highway Planning and Construction Cluster - Broadneck Peninsula Trail Total Highway Planning and Construction Cluster	20.205	Maryland State Highway Administration	SAFETEA-LUHPP	610,254	610,254 610,254	
UPWP Federal Transit Metro Planning 18	20.505	Baltimore Metropolitan Council	UPWP-070118	22,856		
UPWP Federal Transit Metro Planning 19	20.505	Baltimore Metropolitan Council	UPWP-070119	50,939	73,795	
Motor Carrier Assistance Program	20.218	Motor Vehicle Administration	SHA-MCAP-2018	17,287	17,287	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

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 Total Federal Transit Cluster	20.507	Maryland Mass Transit Administration	ZD0107	\$ 129,176	\$ 129,176	
					<u>129,176</u>	
Highway Safety Cluster - 2018 Community Traffic Safety 2019 Community Traffic Safety Total Highway Safety Cluster	20.600	Maryland Department of Transportation	2018-024-026-027-029-323	15,335		
	20.600	Maryland Department of Transportation	2019-102-103-104-105-235	71,757	87,092	
					<u>87,092</u>	
Hazardous Materials Emergency Preparedness Total Department of Transportation	20.703	Maryland Emergency Management Agency	HM-HMP-0546-16-01-00	19,362	19,362	
				<u>936,966</u>	<u>936,966</u>	<u>\$ -</u>
Department of the Treasury						
Treasury Executive Office for Asset Forfeiture (TEOAF) Total Department of the Treasury	21.016	None		5,427	5,427	
				<u>5,427</u>	<u>5,427</u>	<u>-</u>
National Endowment for the Humanities						
Staff Development Grant Library Services & Technology Act MLA 2019 Conference Grant Total National Endowment for the Humanities	45.310	Maryland State Department of Education	519102	15,000		
	45.310	Maryland State Department of Education	181003	60,000		
	45.310	Maryland State Department of Education	519502	9,578	84,578	
				<u>84,578</u>	<u>84,578</u>	<u>-</u>
Department of Health and Human Services:						
Elder Abuse Prevention Title VII Ombudsman Title VII Preventive Health Services III D Aging Cluster - Supportive Services Title III-B Legal Aid Bureau III B Public Relations/Administration - IIIB Telephone Reassurance III-B Nutrition III-C-1 Home Delivery of Meals Title III-C Nutrition Services Initiative Total Aging Cluster	93.041	Maryland State Office on Aging	1901MDOAEA 650919/02	7,451	7,451	
	93.042	Maryland State Office on Aging	1901MDOAOM 650917/02	23,193	23,193	
	93.043	Maryland State Office of Aging	1901MDOAPH 650619/02	34,314	34,314	
	93.044	Maryland State Office of Aging	1901MDOASS 650119/02	134,036		
	93.044	Maryland State Office of Aging	1901MDOASS 650119/02	40,000		40,000
	93.044	Maryland State Office of Aging	1901MDOASS 650119/02	249,686		
	93.044	Maryland State Office of Aging	1901MDOASS 650119/02	8,158	431,880	
	93.045	Maryland State Office of Aging	1901MDOACM 650219/02	694,969		
	93.045	Maryland State Office of Aging	1901MDOAHD 650319/02	289,803	984,772	
	93.053	Maryland State Office of Aging	1901MDOANS 650519/02	84,234	84,234	
					<u>1,500,886</u>	
National Family Care Givers III E PHO Emergency Preparedness PHP: Cities Readiness Initiative Centers for Medicare/Medicaid Services 19 (MIPPA) Personal Responsibility Education Program SAMSHA Respond Tuberculosis Control Adult Drug Court Training Initiative MAT: Prescription Drug & Opioid Addition Partnership for Success SBIRT	93.052	Maryland State Office of Aging	1901MDOANS 652019/02	258,813	258,813	
	93.069	Maryland State Department of Health	CH809PHP	357,508		
	93.069	Maryland State Department of Health	CH809PHP	91,524	449,032	
	93.071	Maryland State Office of Aging	ST-653819	7,802	7,802	
	93.092	Maryland State Department of Health	FHB76PRE	75,246	75,246	
	93.104	None		935,048	935,048	794,844
	93.116	Maryland State Department of Health	CH391TBC	5,630	5,630	
	93.243	None		22,628		
	93.243	Maryland State Department of Health	AS307MAT	15,718		
	93.243	Maryland State Department of Health	MU333PFS	254,524		227,772
	93.243	Mosaic Group, Inc.	MG-SBIRT-2019	27,151	320,021	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

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	CH358IMM	\$ 111,500	\$ 111,500	
Improving Hepatitis B & C Care Cascades	93.270	Maryland State Department of Health	AD753HBC	26,467	26,467	
Centers for Medicare/Medicaid Services 18 (SHIP)	93.324	Maryland State Office on Aging	ST-651518	13,236		
Centers for Medicare/Medicaid Services 19 (SHIP)	93.324	Maryland State Office on Aging	ST-651519	<u>34,512</u>	47,748	
Temporary Assistance for Needy Families Cluster - Maryland Family Network	93.558	Friends of the Family, Inc.	MFN-2019-AFSC	30,000	<u>30,000</u>	
Total Temporary Assistance for Needy Families Cluster					30,000	
Child Support Enforcement 2018	93.563	Maryland Department of Human Resources	CSEA/CRA-18-032	64,109		
Child Support Enforcement 2019	93.563	Maryland Department of Human Resources	CSEA/CRA-19-032	<u>184,613</u>	248,722	
Foster Care Court Improvement	93.586	Maryland Judiciary	G190W0126P	7,582	7,582	
Children's Justice Act	93.643	Governor's Office of Crime Control and Prevention	CJAC-2018-0004	1,603	1,603	
Administrative Care Coordinator PWC Eligibility	93.767	Maryland State Department of Health	MA007EPS	50,325		
	93.767	Maryland State Department of Health	MA281ACM	<u>104,006</u>	154,331	
Medicaid Cluster - M/A General Transportation	93.778	Maryland State Department of Health	MA344GTS	1,476,471		
Administrative Care Coordinator	93.778	Maryland State Department of Health	MA007EPS	236,656		
PWC Eligibility	93.778	Maryland State Department of Health	MA281ACM	<u>711,624</u>	2,424,751	
Total Medicaid Cluster					2,424,751	
Maryland Opioid Rapid Response 18	93.788	Maryland State Department of Health	AS002CTG	148,199		
Maryland Opioid Rapid Response 19	93.788	Maryland State Department of Health	AS002CTG	1,838,969		
State Opioid Rapid Response	93.788	Maryland State Department of Health	BH201SOR	<u>279,242</u>	2,266,410	\$ 204,342
CDC Breast & Cervical Cancer	93.898	Maryland State Department of Health	FH425CBC	96,243	96,243	
Ryan White I (Assoc Black Charities)	93.914	City of Baltimore	ABC-17-2403	134,901	134,901	
Ryan White B Support Services	93.917	Maryland State Department of Health	AD421RWS	417,456	417,456	
HIV Prevention Services	93.940	Maryland State Department of Health	CH033STD	87,345		
Sexually Transmitted Diseases	93.940	Maryland State Department of Health	AD349PRV	<u>115,615</u>	202,960	
Integration of Sexual Health in Recovery	93.959	Maryland State Department of Health	AD678INT	25,953		
Addictions Prevention	93.959	Maryland State Department of Health	MU611ADP	259,066		2,495
Addictions Federal Treatment	93.959	Maryland State Department of Health	AS213FED	1,333,816		22,016
HIV Testing in Behavioral Health	93.959	Maryland State Department of Health	AD718TBH	<u>35,000</u>	1,653,835	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

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	CH033STD	\$ 49,367	\$ 49,367	
Babies Born Healthy Initiative	93.994	Maryland State Department of Health	FHA46BBH	176,442		
Core Public Health Services	93.994	Maryland State Department of Health	CH553CFT	381,175	557,617	
Total Department of Health and Human Services				12,048,929	12,048,929	\$ 1,291,469
Executive Office of the President						
High Intensity Drug Trafficking Area	95.001	Mercy Hurst University	I-2018TXAA	94,307	94,307	
Total Corporation for National and Community Service				94,307	94,307	-
Department of Homeland Security:						
Emergency Management Support Program	97.008	Maryland Emergency Management Agency	EMW-2015-SS-00007	31,157		
K-9 Bomb Squad	97.008	Maryland Emergency Management Agency	EMW-2017-SS-00019	9,209		
UASI - Planners	97.008	Maryland Emergency Management Agency	EMW-2017-SS-00019	100,180		
UASI - MCCU Vehicle Maintenance	97.008	Maryland Emergency Management Agency	EMW-2016-SS-00008	5,517		
UASI - MCCU Vehicle Maintenance	97.008	Maryland Emergency Management Agency	EMW-2017-SS-00018	10,615		
UASI - Hazardous Material Support	97.008	Maryland Emergency Management Agency	EMW-2017-SS-00019	28,161		
UASI - LETPA	97.008	Maryland Emergency Management Agency	EMW-2017-SS-00018	25,162		
UASI - Intelligence Equipment	97.008	Maryland Emergency Management Agency	EMW-2017-SS-00019	7,474		
UASI - Closed Circuit Television	97.008	Maryland Emergency Management Agency	EMW-2016-SS-00008	6,969		
UASI - Closed Circuit Television	97.008	Maryland Emergency Management Agency	EMW-2017-SS-00018	2,772		
UASI - Ambulance Buses	97.008	Maryland Emergency Management Agency	EMW-2017-SS-00019	5,355		
UASI - LE Training	97.008	Maryland Emergency Management Agency	EMW-2017-SS-00019	6,236	238,807	
Housing Elevation - HMGP	97.039	Maryland Emergency Management Agency	HMGP-2254 Lake Drive	4,300	4,300	4,300
Emergency Management Performance Program	97.042	Maryland Emergency Management Agency	EMW-2018-EP-00001	200,963	200,963	
Assistance to Firefighters	97.044	None		220,496	220,496	
State Homeland Security Program	97.067	Maryland Emergency Management Agency	EMW--2018-SS-00023	36,638		
State Homeland Security Program	97.067	Maryland Emergency Management Agency	EMW--2017-SS-00019	136,269		
State Homeland Security Program	97.067	Maryland Emergency Management Agency	EMW--2016-SS-00008	8,172		
Hazard Mitigation	97.067	Maryland Emergency Management Agency	HMP-MEMA-2017	4,600	185,679	
Total Department of Homeland Security				850,245	850,245	4,300
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 25,302,877	\$ 25,302,877	\$ 9,224,618

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, 2019

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, 2019.

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, 2019, reflects CFDA changes issued through June 2019.

ANNE ARUNDEL COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019

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, 2019, the fair market value of the commodities received was estimated at \$519,229 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, 2018, was approximately \$53,348,512. Current year activity was a net decrease to the revolving loan program of approximately \$1,415,516, resulting in a balance due to the state of Maryland as of June 30, 2019 of approximately \$51,932,996.

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, 2019**

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)	Name of Federal Program or Cluster
16.922	Equitable Sharing Program
14.241	Housing Opportunities for People with AIDS
17.258, .259, .278	WIOA Cluster
20.205	Highway Planning and Construction
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances
93.994	Maternal and Child Health Services Block Grant

- Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000
- Auditee qualified as low-risk auditee? x yes _____ no

**ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2019**

Section II – Financial Statement Findings

None were reported.

**ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2019**

Section III – Findings and Questioned Costs – Major Federal Programs

Finding Reference:	2019-001
Federal Agency:	Department of Transportation
Federal Program:	Highway Planning and Construction
CFDA Number:	20.205
Compliance Requirement:	Reporting - SEFA
Type of Finding:	Significant Deficiency – Internal Control
Prior Year Finding:	No

Criteria

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 associated with awards including grants, cost-reimbursement contracts under the FAR, compacts with Indian Tribes, cooperative agreements, and direct appropriations; the disbursement of funds to subrecipients; the use of loan proceeds under loan and loan guarantee programs; the receipt of property; the receipt of surplus property; the receipt or use of program income; the distribution or use of food commodities; the disbursement of amounts entitling the non-Federal entity to an interest subsidy; and the period when insurance is in force.

Condition/Context

The SEFA preparation by the County did not accurately identify the proper fiscal year 2019 federal expenditures related to this capital project grant as required by Uniform Guidance. Expenditures reported on the SEFA were overstated by \$421,357.

Cause

The County did not have effective controls in place for identifying and reporting program expenditures related to the capital project grant for proper reporting on the respective year's SEFA.

Effect

The SEFA was not prepared in accordance with OMB requirements. The County required additional time to assure accounts in the general ledger are properly stated and are reconciled to the program balances.

Questioned Costs

Not determined.

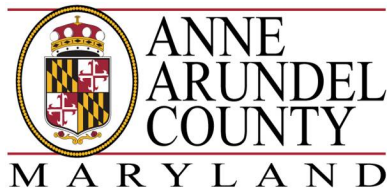
ANNE ARUNDEL COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2019

Recommendation

We recommend that the County enhance its reporting and management review procedures to ensure the accuracy of the expenses being reported on the SEFA. As part of these procedures, we recommend that the County reconcile capital project grant expenditures reported to those tracked by each program manager to assure each grant within a program is accurately reported.

Views of the Responsible Officials

There were no disagreements with the audit finding.



**ANNE ARUNDEL COUNTY, MARYLAND
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JULY 30, 2018**

Anne Arundel County, Maryland respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2018.

Audit period: 7/1/2017 – 6/30/2018

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2018 – 001

Condition: 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 in 2 CFR §200.331(f). For subrecipients exempt from an audit of Federal awards, as noted in 2 CFR §200.501(d), notification was not received to note exemption and that records are available for review.

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

If the U.S Department of Health and Human Services has questions regarding this schedule, please call M. Michael Beard at (410) 222-2366.



**ANNE ARUNDEL COUNTY, MARYLAND
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2019**

Anne Arundel County, Maryland respectfully submits the following corrective action plan for the year ended June 30, 2019.

Audit period: July 1, 2018 – June 30, 2019.

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 TRANSPORTATION

2019-001 Highway Planning and Construction – CFDA No. 20.205

Recommendation: We recommend that the County enhance its reporting, management review procedures to ensure the accuracy of the expenses being reported on the SEFA. As part of these procedures, we recommend that the County reconcile capital project grant expenditures reported to those tracked by each program manager to assure each grant within a program is accurately reported.

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

Action taken in response to finding: Management agrees to review and enhance procedures over the compilation of the expenses reported on the SEFA. Specifically, capital project grant expenditures reported will be reconciled to the detailed expenditures tracked by each program manager to assure each grant within a program is accurately reported.

Name(s) of the contact person(s) responsible for corrective action: Michael Beard

Planned completion date for corrective action plan: June 30, 2020.

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