

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards Together with
Reports of Independent Public Accountants**

For the Year Ended June 30, 2023

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards Together with
Reports of Independent Public Accountants**

JUNE 30, 2023

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements 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, 2023, and the respective changes in financial position and, where applicable, cash flows and budget and actual for the general and grants special revenue funds thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Anne Arundel County Board of Education, Anne Arundel County Community College, Anne Arundel Economic Development Corporation, Tipton Airport Authority, Anne Arundel Workforce Development Corporation, and Anne Arundel County Retirement and Pension System. 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.

The financial statements that we did not audit, which are listed above, represent the percentages of the total assets, total net position, and total revenues of the accompanying financial statements as listed below.

	Percentage of Opinion Unit		
	Total Assets	Total Net Position	Total Operating Revenues
Component units			
Major			
Board of Education	88.0%	128.3%	89.7%
Community College	10.0%	-30.4%	7.8%
Non-Major			
Economic Development	0.3%	-0.4%	0.2%
Tipton Airport	0.6%	-2.5%	0.2%
Workforce Development	0.2%	-0.2%	0.5%
Total Percentage of Component Units	99.1%	94.8%	98.4%
Fiduciary Funds:			
Pension Trust Fund	81.8%	81.2%	56.7%



Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. The financial statements of the Anne Arundel Community College Foundation, which is included in the financial statements of the Anne Arundel County Community College, were not audited in accordance with *Government Auditing Standards*.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The County's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



- Obtain an understanding of internal controls relevant to the audit 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 County's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal controls-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in net pension liabilities and related ratios, schedules of investment returns, schedules of employer's contributions, schedules of proportionate shares of pension plans, schedules of County's contributions, schedules of changes in net OPEB liabilities and related ratios, retiree health benefits trust schedules of contributions, and schedule of changes in length of service award program net pension liability and related ratios, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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.

Supplementary 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 combining fund statements, budgetary statements, other supporting schedules, and schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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. The 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



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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 combining fund statements, budgetary statements, other supporting schedules, and the schedule of expenditures of Federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023 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 21, 2023



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**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, 2023, 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, 2023.

Our report includes a reference to other auditors who audited the financial statements of Anne Arundel County Board of Education, Anne Arundel Community College, 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.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.



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Report on 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 financial statements. 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 21, 2023

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**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

Adverse and Unmodified Opinions

We have audited Anne Arundel County, Maryland's (the County) compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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 for the year ended June 30, 2023. 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.

Adverse Opinion on Workforce Innovation and Opportunity Act (WIOA) Cluster

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse and Unmodified Opinions* section of our report, the County did not comply in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the WIOA Cluster for the year ended June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major Federal programs identified in the summary of independent public accountants' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.



Basis for Adverse and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor’s Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major Federal program. Our audit does not provide a legal determination of the County’s compliance with the compliance requirements referred to above.

Matters Giving Rise to Adverse Opinion on WIOA Cluster

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing Nos. 17.258, 17.259, and 17.278, WIOA Cluster as described in finding number 2023-001 for Subrecipient Monitoring. Compliance with such requirement is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County’s Federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County’s compliance with the requirements of each major Federal program as a whole.



In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal controls over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal controls over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal controls over compliance that we identified during the audit.

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 2023-002, 2023-003 and 2023-004. Our opinion on each major Federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Controls over Compliance

Our consideration of internal controls over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal controls over compliance that might be material weaknesses or significant deficiencies in internal controls over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal controls over compliance that we consider to be material weaknesses.

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



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program will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal controls over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal controls over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other 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.

Owings Mills, Maryland
March 28, 2024

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

Federal Agency/Grant Title/Cluster	Federal Assistance Listing Number	Pass Through Agency	Federal/Pass Through Grant Number	Federal Expenditures	Amounts Passed Through to Subrecipients
Department of Agriculture:					
Breastfeeding Peer Counselor	10.557	Maryland State Health Department	WIB34BPC	\$ 52,249	\$ -
WIC Training & Temp Staffing	10.557	Maryland State Health Department	W1871TRN	443,583	-
Women, Infants & Children	10.557	Maryland State Health Department	W1174WIC	1,426,669	-
Total Department of Agriculture				<u>1,922,501</u>	<u>-</u>
Department of Housing and Urban Development:					
<i>CDBG - Entitlement Grants Cluster:</i>					
Community Development Block Grant	14.218	None	B-17-UC-24-0010	8,209	8,209
Community Development Block Grant	14.218	None	B-18-UC-24-0010	15,045	15,045
Community Development Block Grant	14.218	None	B-19-UC-24-0010	51,883	51,883
Community Development Block Grant	14.218	None	B-20-UC-24-0010	389,303	389,303
Community Development Block Grant	14.218	None	B-20-UC-24-0010	397,943	397,943
Community Development Block Grant	14.218	None	B-21-UC-24-0010	1,217,346	1,217,346
Community Development Block Grant	14.218	None	B-22-UC-24-0010	873,351	873,351
Community Development Block Grant	14.218	None	B-23-UC-24-0010	1,651,852	1,651,852
<i>Total CDBG - Entitlement Grants Cluster</i>				<u>4,604,932</u>	<u>4,604,932</u>
COVID-19 - Emergency Shelter Grant - CVII CARES	14.231	None	E-20-UW-24-0010	503,761	503,761
Emergency Shelter Grant	14.231	None	E-20-UW-24-0010	81,004	81,004
Emergency Rental Assistance	14.231	None	E-20-UW-24-0010	117,062	117,062
HOME Investment Partnership Program 2020	14.239	None	M-19-UC-24-0200	161,179	161,179
HOME Investment Partnership Program 2021	14.239	None	M-20-UC-24-0200	76,844	76,844
HOME Investment Partnership Program 2022	14.239	None	M-21-UC-24-0200	51,582	51,582
Housing Opportunities for People With Aids	14.241	City of Baltimore	MDH19-F001	440,609	440,609
Continuum of Care Grant Program (COC) Planning 2022	14.267	None	N/A	310,539	310,539
COC Planning 2023	14.267	None	N/A	1,523,527	1,523,527
Total Department of Housing and Urban Development				<u>7,871,039</u>	<u>7,871,039</u>
Department of Justice:					
Victims of Crime Assistance	16.575	Governor's Office of Crime Control & Prevention	VOCA-2021-0021	31,150	-
Victims of Crime Assistance	16.575	Governor's Office of Crime Control & Prevention	VOCA-2022-0021	93,449	-
DUI - Justice Assistance Grant	16.579	Governor's Office of Crime Control & Prevention	M23-0014-X69	123,111	-
State Criminal Alien Assistance Program 2018	16.606	None	2019-AP-BX-0108	11,653	-
State Criminal Alien Assistance Program 2019	16.606	None	2019-AP-BX-0947	101,787	-
State Criminal Alien Assistance Program 2021	16.606	None	15PBJA-20-RR-00260-SCAA	5,000	-
Edward Byrne Memorial Justice 2018	16.738	None	2018-DJ-BX-0218	28,946	28,945
Edward Byrne Memorial Justice 2019	16.738	None	2019-DJ-BX-0938	48,972	4,647
Edward Byrne Memorial Justice 2020	16.738	None	2020-DJ-BX-0358	45,475	-
Edward Byrne Memorial Justice 2021	16.738	None	15-BJA-21-GG-01550-JAGX	1,367	-
Body Worn Camera Program	16.738	Governor's Office of Crime Control & Prevention	2019-MU-BX-0019	5,021	-
COVID-19 - BJAG Supplemental	16.738	Governor's Office of Crime Control & Prevention	15PBJA-21-GG-01550-JAGX	22,199	-
BJAG State Grant	16.738	Governor's Office of Crime Control & Prevention	BJAG-2020-0041	28,720	-
Danger Assessment Advocate	16.738	Governor's Office of Crime Control & Prevention	VAWA-2021-0021	16,148	-
Danger Assessment Advocate	16.738	Governor's Office of Crime Control & Prevention	VAWA-2022-0021	36,851	-
Technology Enhancements	16.738	Governor's Office of Crime Control & Prevention	BJAG-2018-0037	1,332	-

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, 2023**

Federal Agency/Grant Title/Cluster	Federal Assistance Listing Number	Pass Through Agency	Federal/Pass Through Grant Number	Federal Expenditures	Amounts Passed Through to Subrecipients
Department of Justice: (continued)					
Paul Coverdell Forensic Science 21	16.742	Governor's Office of Crime Control & Prevention	CFSI-2020-0001	\$ 6,729	\$ -
Paul Coverdell Forensic Science 22	16.742	Governor's Office of Crime Control & Prevention	CFSI-2021-0001	50,818	-
Forensic Casework DNA Backlog 2019	16.743	Governor's Office of Crime Control & Prevention	2020-DN-BX-0125	65,990	-
Forensic Casework DNA Backlog 2018	16.743	Governor's Office of Crime Control & Prevention	2021-DN-BX-0125	231,586	-
Federal Prosecution Grant	16.825	Governor's Office of Crime Control & Prevention	15PBJA-21-GG-03881-SMTP	20,530	-
Federal Prosecution Grant	16.825	Governor's Office of Crime Control & Prevention	15PBJA-22-GG-03881-SMTP	38,686	-
Total Department of Justice				<u>1,015,520</u>	<u>33,592</u>
Department of Labor:					
<i>WIOA Cluster:</i>					
WIA Title 1 Grant: Youth	17.258	Maryland Department of Labor, Licensing & Regulation	P26-AA-PY21	112,707	112,707
WIA Title 1 Grant: Youth	17.258	Maryland Department of Labor, Licensing & Regulation	P-36-AA-PY22	573,936	573,936
Youthworks	17.259	Maryland Department of Labor, Licensing & Regulation	DLLRYW-2023	500,000	500,000
WIA Title 1 Grant: Adult	17.259	Maryland Department of Labor, Licensing & Regulation	P-36-AA-PY22	118,741	118,741
WIA Title 1 Grant: Adult	17.259	Maryland Department of Labor, Licensing & Regulation	P-26-AA-FY22	193,802	193,802
WIA Title 1 Grant: Adult	17.259	Maryland Department of Labor, Licensing & Regulation	P-36-AA-FY23	336,830	336,830
WIA Title 1 Grant: Dislocated Worker	17.278	Maryland Department of Labor, Licensing & Regulation	P26-AA-PY21	60,800	60,800
WIA Title 1 Grant: Dislocated Worker	17.278	Maryland Department of Labor, Licensing & Regulation	P-36-AA-PY22	89,473	89,473
WIA Title 1 Grant: Dislocated Worker	17.278	Maryland Department of Labor, Licensing & Regulation	P-26-AA-FY22	354,621	354,621
<i>Total WIOA Cluster</i>				<u>2,340,910</u>	<u>2,340,910</u>
Total Department of Labor				<u>2,340,910</u>	<u>2,340,910</u>
Department of Transportation:					
WB & A Trial	20.205	Maryland State Highway Administration	AA089B51	1,948,878	-
Federal Transit Formula	20.505	Baltimore Metropolitan Council	UPWP-07020	63,848	-
<i>FMCSA Cluster:</i>					
Motor Carrier Assistance Program	20.218	Maryland Motor Vehicle Administration	SHA-MCSAP-2022	1,247	-
Motor Carrier Assistance Program	20.218	Maryland Motor Vehicle Administration	SHA-MCSAP-2023	4,127	-
<i>Total FMCSA Cluster</i>				<u>5,374</u>	<u>-</u>
<i>Federal Transit Cluster:</i>					
COVID-19 - Transportation	20.507	Maryland Mass Transit Administration	AA17CARES07O2020	2,813,644	-
MD Transit Admin-Rideshare	20.507	Maryland Mass Transit Administration	AA17CMAQ2020/2021	21,281	-
MD Transit Admin-Rideshare	20.507	Maryland Mass Transit Administration	AA17CMAQ2020/2021	79,994	-
MD Transit Admin-Rideshare	20.507	Maryland Mass Transit Administration	AA17CMAQ2022	5,901	-
MD Transit Admin-Rideshare	20.507	Maryland Mass Transit Administration	AA17CMAQ2023	52,174	-
<i>Total Federal Transit Cluster</i>				<u>2,972,994</u>	<u>-</u>
<i>Highway Safety Cluster:</i>					
Community Traffic Safety	20.600	Maryland Department of Transportation	LE-AACPD-2022	12,516	-
Community Traffic Safety	20.600	Maryland Department of Transportation	LE-AACPD-2023	36,500	-
<i>Total Highway Safety Cluster</i>				<u>49,016</u>	<u>-</u>
Total Department of Transportation				<u>5,040,110</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, 2023**

Federal Agency/Grant Title/Cluster	Federal Assistance Listing Number	Pass Through Agency	Federal/Pass Through Grant Number	Federal Expenditures	Amounts Passed Through to Subrecipients
Department of the Treasury:					
Secret Service Task Force	21.016	None	AACO-MOU-TEOAF	\$ 5,629	\$ -
Secret Service Task Force	21.016	None	AACO-MOU-TEOAF	7,500	-
COVID-19 - American Rescue Plan Act Funds (US Treasury ARPA)	21.027	None	N/A	29,010,565	10,980,106
COVID-19 - Strengthening Local HD Infr	21.027	Maryland State Health Department	ARP02SLI	248,594	-
COVID-19 - ARP Federal Funds	21.027	Maryland State Health Department	MDH-ARP	82,905	-
Total Department of the Treasury				<u>29,355,193</u>	<u>10,980,106</u>
Department of Health and Human Services:					
COVID-19 - Title VII Funding	93.042	Maryland State Office on Aging	654820	6,165	-
Title VI Ombudsman	93.042	Maryland State Office on Aging	652121	26,290	-
Title VI Ombudsman	93.042	Maryland State Office on Aging	652122	19,917	-
Title VII Elder Abuse Prevention	93.042	Maryland State Office on Aging	2301MDOAEA	4,920	-
COVID-19 - ARPA Title III-D Preventive Health	93.043	Maryland State Office on Aging	Unknown	7,217	-
Title III-D Preventive Health	93.043	Maryland State Office on Aging	650622	14,139	-
Title III-D Preventive Health	93.043	Maryland State Office on Aging	650623	3,791	-
<i>Aging Cluster:</i>					
COVID-19 - IIIB Funding	93.044	Maryland State Office on Aging	655221	114,730	-
COVID-19 - ARPA - OAA Spt Services III	93.044	Maryland State Office on Aging	2101MDSSC8-00	174,297	-
Title IIIB Public Relations/Admin	93.044	Maryland State Office on Aging	650122	153,140	-
Title IIIB Public Relations/Admin	93.044	Maryland State Office on Aging	650123	199,821	-
Title IIIB Ombudsman	93.044	Maryland State Office on Aging	652123	3,880	-
Expanding Access C-19 Vaccines	93.044	Maryland State Office on Aging	655221	23,528	-
COVID-19 - ARPA - OAA Senior Nutrition	93.045	Maryland State Office on Aging	2101MDCMC8-00	99,338	-
COVID-19 - ARPA - Home Delivered Meals	93.045	Maryland State Office on Aging	2101MDHDC8-00	17,364	-
IIIC-1 Nutrition	93.045	Maryland State Office on Aging	650522	497,431	-
IIIC-1 Nutrition	93.045	Maryland State Office on Aging	650523	268,543	-
Title III-C Home Delivered Meals	93.045	Maryland State Office on Aging	650322	167,529	-
Title III-C Home Delivered Meals	93.045	Maryland State Office on Aging	650323	146,382	-
<i>Total Aging Cluster</i>				<u>1,865,983</u>	-
Nutrition Services Incentive	93.052	Maryland State Office on Aging	652022	95,802	-
Nutrition Services Incentive	93.052	Maryland State Office on Aging	652023	24,160	-
COVID-19 - ARPA - ARPA - Grandparent Assist	93.052	Maryland State Office on Aging	2101MDFCC8-00	49,797	-
National Family Caregiver	93.052	Maryland State Office on Aging	1901MDOANS 652022/02	96,573	-
National Family Caregiver	93.052	Maryland State Office on Aging	1901MDOANS 652023/02	132,657	-
Public Health Emergency Preparedness	93.069	Maryland Department of Health	CH809PHP	506,258	-
Centers for Medicare/caid	93.071	Maryland State Office on Aging	653822	1,965	-
Centers for Medicare/caid	93.071	Maryland State Office on Aging	653823	13,851	-
E-PRA Expansion	93.136	Maryland Department of Health	FH607PRA	11,794	-
Overdose Data to Action: Prevention	93.136	Maryland Department of Health	AS437ODA	420,171	-
Immunization Grant	93.268	Maryland Department of Health	CH358IMM	62	-
Immunization-IHEP-IAP,HEP-B	93.268	Maryland Department of Health	CH358IMM	105,824	-
ELC MHHD Child Outreach	93.268	Maryland Department of Health	ELC01CHW	7,898	-
Immunization & Vaccines for Children-2023	93.268	Maryland Department of Health	MV602COV	197,884	-
Immunization & Vaccines for Children-2022	93.268	Maryland Department of Health	MV602COV	3,470	3,470

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, 2023**

Federal Agency/Grant Title/Cluster	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)					
Immunization & Vaccines for Children-2022	93.268	Maryland Department of Health	VC502COV	\$ 5,577	\$ -
Immunization & Vaccines for Children-2023	93.268	Maryland Department of Health	VC502COV	834,977	-
PHO Emergency Preparedness	93.283	Maryland Department of Health	CH809PHP	2,960	-
PHP Emergency Preparedness	93.283	Maryland Department of Health	CH809PHP	35,863	-
ELC MHHD Child Outreach	93.323	Maryland Department of Health	ELC01CHW	7,898	-
ELC Enhancing Detection Grant	93.323	Maryland Department of Health	ID902EDG	167,528	-
Project W: SET-NET Linkage to Care and Support Services	93.323	Maryland Department of Health	ELC01WSN	50,409	-
ELC Enhancing Detection Grant	93.323	Maryland Department of Health	ID926EDE	1,409,734	-
CDC Crisis Cooperative-2022	93.354	Maryland Department of Health	PH002CRW	60,500	-
CDC Crisis Cooperative-2023	93.354	Maryland Department of Health	PH002CRW	464,342	-
CDC Disparities Grant	93.391	Maryland Department of Health	CDC02HRU	170,435	156,798
Maryland Family Network	93.558	Friends of the Family, Inc.	MFN-2023-AFSC	365,114	-
Child Support Enforcement	93.563	Maryland Department of Human Resources	CSEA/CRA-22-032	313,162	-
CJAC Child Survivors Grant	93.643	Governor's Office of Crime Control Prevention	CJAC-2019-0021	2,112	-
Childhood Lead Poisoning Prevention	93.767	Maryland Department of Health	CHC88ECM	134,478	-
Administrative Care Coordination	93.767	Maryland Department of Health	MA007EPS	47,736	-
PWC Eligibility	93.767	Maryland Department of Health	MA281ACM	150,721	-
<i>Medicaid Cluster:</i>					
Administrative Care Coordination	93.778	Maryland Department of Health	MA007EPS	238,680	-
PWC Eligibility	93.778	Maryland Department of Health	MA281ACM	765,929	-
General Transportation Grant 2023	93.778	Maryland Department of Health	MA344GTS	887,456	-
<i>Total Medicaid Cluster</i>				1,892,065	-
Access Harm Reduction Grant	93.788	Maryland Department of Health	AD783AHR	408,689	-
CDC Breast & Cervical Cancer	93.898	Maryland Department of Health	FH425CBC	268,799	-
ABC Ryan White I	93.914	Associated Black Charities	ABC-22-2406	74,956	-
ABC Ryan White I	93.914	Associated Black Charities	ABC-23-2407	39,466	-
Ryan White B Flex Health Support Services	93.917	Maryland Department of Health	AD838FLX	244,067	-
Ryan White B Support Services	93.917	Maryland Department of Health	AD421RWS	109,512	-
HIV Prevention Services	93.940	Maryland Department of Health	AD349PRV	96,830	-
Sexually Transmitted Disease	93.940	Maryland Department of Health	CH033STD	60,866	-
Program Support for HCV	93.940	Maryland Department of Health	AD778PSH	12,250	-
COVID-19 - ARPA One Time Supplemental	93.959	Maryland Department of Health	MU002OFR	25,000	25,000
Prevention Project Grant	93.959	Maryland Department of Health	MU611ADP	6,400	2,900
Integ of Sxl Hlth in Recove	93.959	Maryland Department of Health	AD678INT	48,852	-
Substance Abuse Treatment Services	93.959	Maryland Department of Health	BH001SRT	15,999	-
COVID-19 - Substance Abuse Prev - Covid Supplement	93.959	Maryland Department of Health	MU621COV	150,554	150,554
COVID-19 - American Rescue Plan - One Time Supplemental Funding	93.959	Maryland Department of Health	MU002OFR	55,040	-
Opioid Misuse Prevention Program	93.959	Maryland Department of Health	MU002OMP	57,154	24,400
Opioid Treatment Program	93.959	Maryland Department of Health	BH265SCS	196,639	-
Hub & Spoke	93.959	Maryland Department of Health	BH021SAR	57,673	-

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, 2023**

<u>Federal Agency/Grant Title/Cluster</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 Health and Human Services: (continued)					
Federal Fund Black Grant Substance Use Services	93.959	Maryland Department of Health	AS213FED	\$ 617,723	\$ -
Substance Abuse Prevention	93.959	Maryland Department of Health	MU611ADP	293,085	2,495
Sexually Transmitted Disease	93.977	Maryland Department of Health	CH033STD	5,656	-
Title V Child Health Services	93.994	Maryland Department of Health	FH607CHI	378,103	-
Total Department of Health and Human Services				<u>12,955,512</u>	<u>365,617</u>
Department of Homeland Security:					
UASI Planning	97.008	Maryland Emergency Management Agency	EMW-2019-SS-00064	41,869	-
UASI Planning	97.008	Maryland Emergency Management Agency	EMW-2020-SS-00010	164,562	-
EMPG-State & Local Assistan	97.008	Maryland Emergency Management Agency	EMW-2021-SS-00047	96,686	-
EMPG-State & Local Assistan	97.008	Maryland Emergency Management Agency	EMW-2022-SS-000009	49,761	-
State Homeland Security	97.008	Maryland Emergency Management Agency	EMW-2020-SS-00010	144,593	-
State Homeland Security	97.008	Maryland Emergency Management Agency	EMW-2021-SS-00047	83,910	-
State Homeland Security	97.008	Maryland Emergency Management Agency	EMW-2022-SS-000009	47,681	-
UASI-LETPA	97.008	Maryland Emergency Management Agency	EMW-2021-SS-00047	11,647	-
UASI-Ambo Bus	97.008	Maryland Emergency Management Agency	EMW-2019-SS-00064	7,264	-
UASI-Intelligence Equipment	97.008	Maryland Emergency Management Agency	EMW-2020-SS-00010	7,545	-
K-9 Bomb Squad	97.008	Maryland Emergency Management Agency	EMW-2020-SS-00010	16,000	-
UASI-Spec Ops/Tech Rescue	97.008	Maryland Emergency Management Agency	EMW-2020-SS-00010	537	-
UASI-Fire	97.008	Maryland Emergency Management Agency	EMW-2021-SS-00047	46,040	-
UASI-Fire	97.008	Maryland Emergency Management Agency	EMW-2022-SS-000009	16,500	-
UASI-Police	97.008	Maryland Emergency Management Agency	EMW-2021-SS-00047	45,545	-
UASI-Police	97.008	Maryland Emergency Management Agency	EMW-2022-SS-000009	15,511	-
UASI-OEM	97.008	Maryland Emergency Management Agency	EMW-2021-SS-00047	12,846	-
Staffing for Adequate Fire and Emergency Response	97.083	Maryland Emergency Management Agency	EMW-2018-FH-00513	806,943	-
HMEP	97.093	Maryland Emergency Management Agency	19-GA8837-17F	48,491	-
Total Department of Homeland Security				<u>1,663,931</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 62,164,716</u>	<u>\$ 21,591,264</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, 2023

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 2023 cash and non-cash expenditures to ensure coverage of at least 20% of Federally granted funds. Actual coverage is 72% of total cash and non-cash Federal award program expenditures.

Grant Title	Federal Assistance Listing Number	Federal Expenditures
Women, Infants & Children, Breastfeeding Peer Counselor, WIC Training & Temp Staffing	10.557	\$ 1,922,501
CDBG - Entitlement Grants Cluster	14.218	4,604,932
WIOA Cluster	17.258, 17.259, 17.278	2,340,910
WB & A Trial	20.205	1,948,878
Federal Transit Cluster	20.507	2,972,994
COVID-19 - American Rescue Plan Act Funds (US Treasury ARPA), Strengthening Local HD Infr, ARP Federal Funds	21.027	29,342,064
Aging Cluster	93.044, 93.045	1,865,983
		<u>\$ 44,998,262</u>

Expenditures of Federal awards 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, 2023, the fair market value of the commodities received was estimated at \$763,233 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, 2023**

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 June 30, 2022 was approximately \$39,827,713. Current year activity was a net decrease to the revolving loan program of approximately \$3,846,761, resulting in a balance due to the State of Maryland as of June 30, 2023 of approximately \$35,980,952.

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	\$ 110,494,487
Reconciling items:	
Non Federal grants	<u>(48,329,771)</u>
Total Expenditures of Federal Awards	<u>\$ 62,164,716</u>

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section I – Summary of Independent Public Accountant’s 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’ reports issued on compliance for major program:	Adverse and Unmodified
Internal controls over major program:	
Material weakness(es) identified?	Yes
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
Women, Infants & Children, Breastfeeding Peer Counselor, WIC Training & Temp Staffing	10.557	\$ 1,922,501
CDBG - Entitlement Grants Cluster	14.218	4,604,932
WIOA Cluster	17.258, 17.259, 17.278	2,340,910
WB & A Trial	20.205	1,948,878
Federal Transit Cluster	20.507	2,972,994
COVID-19 - American Rescue Plan Act Funds (US Treasury ARPA), Strengthening Local HD Infr, ARP Federal Funds	21.027	29,342,064
Aging Cluster	93.044, 93.045	1,865,983
		\$ 44,998,262
Threshold for disingushing between Type A and B programs		\$ 1,864,941
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, 2023**

Section II - Financial Statement Findings

None noted.

ANNE ARUNDEL COUNTY, MARYLAND

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2023

Section III - Federal Award Findings and Questioned Costs

Finding 2023-001

U.S. Department of Labor

Assistance Listing Numbers 17.258, 17.259, 17.278 – WIOA Cluster

Material Weakness over Subrecipient Monitoring

Repeat Finding: 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)). A PTE must also evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.332(b)), and monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.332(d) through (f)).

Condition and Context:

The County did not conduct adequate monitoring of its subrecipient during the year ended June 30, 2023. The County passes 100% of WIOA Cluster funds to one subrecipient, and risk assessment or monitoring activities (site visits, financial reviews, or programmatic assessments) were not conducted to provide assurance of compliance with Federal regulations.

Cause:

The County did not perform subrecipient monitoring. Without established processes and dedicated resources for subrecipient oversight, the County was unable to fulfill its monitoring obligations effectively.

Effect or Potential 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:

Unknown.

Recommendation:

We recommend that the County prepare and maintain a written plan to ensure subrecipients are aware of the Uniform Guidance requirements. Additionally, we recommend the County performs the monitoring of the subrecipients and ensure the documentation is saved within the County.

Views of Responsible Officials:

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

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section III - Federal Award Findings and Questioned Costs (continued)

Finding 2023-002

**U.S. Department of Housing and Urban Development
Assistance Listing Number 14.218 – CDBG – Entitlement Grants Cluster
Non-compliance over Reporting
Repeat Finding: No**

Criteria:

Under the requirements of the Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282), as amended by Section 6202 of Pub. L. No. 110-252, hereafter referred as the “Transparency Act” that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Condition and Context:

The County is a direct recipient of CDBG Entitlement Grants Cluster funds from the Department of Housing and Urban Development. Additionally, the County provided first-tier subawards greater than \$30,000.

Cause:

The County did not report its first-tier subawards in accordance with the Transparency Act requirements.

Transactions Tested	Subaward Not Reported	Report Not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
1	1	N/A	N/A	N/A
Dollar Amount of Tested Transactions	Subaward Not Reported	Report Not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
\$4,605,932	\$4,604,932	N/A	N/A	N/A

Effect or Potential Effect:

The County was not in compliance with the reporting requirements of the grant.

Questioned Costs:

None.

Recommendation:

We recommend the County establish and implement controls to maintain compliance with reporting requirements.

Views of Responsible Officials:

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

ANNE ARUNDEL COUNTY, MARYLAND

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2023

Section III - Federal Award Findings and Questioned Costs (continued)

Finding 2023-003

U.S. Department of the Treasury

Assistance Listing Number 21.027 – COVID-19 - American Rescue Plan Act Funds (US Treasury ARPA)

Non-compliance over Subrecipient Monitoring

Repeat Finding: Yes, 2022-001

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 200.332(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 200.332(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 200.332(a)(3)).

A PTE must also monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.332(d) through (f)).

Condition and Context:

For 1 out of 3 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 200.332(a).

Cause:

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

Effect or Potential 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:

Unknown.

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 of this report.

ANNE ARUNDEL COUNTY, MARYLAND

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2023

Section III - Federal Award Findings and Questioned Costs (continued)

Finding 2023-004

U.S. Department of the Transportation

Assistance Listing Number 20.205 WB&A Trail (highway Planning and Construction)

Non-compliance over Special Tests – Quality Assurance Program, Value Engineering, and Utilities

Repeat Finding: No

Criteria:

A State DOT or Local Public Agency (LPA) must have a quality assurance (QA) program, approved by Federal Highway Administration (FHWA), for construction projects on the National Highway System (NHS) to ensure that materials and workmanship conform to approved plans and specifications (23 CFR sections 637.201, 637.205, 637.207, and 637.209).

Recipients are required to establish a value engineering (VE) program and ensure that a VE analysis is performed on all applicable projects. The program should include procedures to approve or reject recommendations and for monitoring to ensure that resulting, approved recommendations are incorporated into the plans, specifications, and estimate (23 USC 106(e); 23 CFR Part 627).

Recipients are required to develop policies and procedures pertaining to the use, accommodation and/or relocation of public and private utility facilities on highway rights-of way using federal highway funds. Recipients are required to develop, maintain, and obtain FHWA approval of their Utility Accommodation Policy (UAP) (23 CFR section 645.215).

Condition and Context:

Management was unable to provide support documenting the County's compliance with quality assurance program, value engineering, and utilities special tests for the year ended June 30, 2023.

Cause:

The County is a pass through entity, and believed the direct recipient of the award was responsible for these special tests requirements. However, there is no formal documentation of this understanding with the direct recipients of these responsibilities.

Effect or Potential Effect:

The County may not be in compliance with the special tests requirements under Uniform Guidance.

Questioned Costs:

Unknown.

Recommendation:

We recommend that the County formalize its agreement with the pass-through entity to clarify the responsibilities for the special tests requirements.

Views of Responsible Officials:

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

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section IV – Prior Year Findings and Questioned Costs

Finding 2022-001

**U.S. Department of the Treasury
Assistance Listing Number 21.027 – COVID-19 - American Rescue Plan Act Funds (US
Treasury ARPA)**

Compliance and Material Weakness over Subrecipient Monitoring

Repeat Finding: 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 200.332(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 200.332(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 200.332(a)(3)).

A PTE must also monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.332(d) through (f)).

Condition and Context:

For 2 out of 3 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 200.332(a).

For 3 out of 3 selections, the County was not able to provide documentation showing that the monitoring of the subrecipients was performed.

2023 Status:

Finding remains as stated. See 2023-004.

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section IV – Prior Year Findings and Questioned Costs (continued)

Finding 2022-002

**U.S. Department of the Treasury
Assistance Listing Number 21.027 – COVID-19 - American Rescue Plan Act Funds (US
Treasury ARPA)**

Compliance and Internal Controls Deficiency over Procurement

Repeat Finding: No

Criteria:

In accordance with 2 CFR §200.303: The non-Federal entity must: (a) Establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Non-Federal entities other than states, including those operating Federal programs as subrecipients of states, must follow the procurement standards set out at 2 CFR sections 200.318 through 200.326. They must use their own documented procurement procedures, which reflect applicable state and local laws and regulations, provided that the procurements conform to applicable Federal statutes and the procurement requirements identified in 2 CFR Part 200. A non-Federal entity must conduct all procurement transactions in a manner providing full and open competition, in accordance with 2 CFR section 200.319.

Condition and Context:

For 1 out of 4 selections, the County was not able to provide evidence they completed a formal bid process with full and open competition.

2023 Status:

Finding has been resolved.

ANNE ARUNDEL COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section IV – Prior Year Findings and Questioned Costs (continued)

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 Finding: 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).

2023 Status:

There are no subrecipients under this grant during the year ended June 30, 2023.

ANNE ARUNDEL COUNTY, MARYLAND

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section V – Corrective Action Plan



ANNE ARUNDEL COUNTY, MARYLAND
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2023

Anne Arundel County, Maryland respectfully submits the following corrective action plan for the year ended June 30, 2023

Audit period: July 1, 2022 – June 30, 2023

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

2023-001: 172.258, 17.259, 17.278 – WIOA Cluster

- **Recommendation 1:** We recommend that the County prepare and maintain a written plan to ensure subrecipients are aware of the Uniform Guidance requirements.
- **Recommendation 2:** We recommend the County performs the monitoring of the subrecipients and ensure the documentation is saved within the County.
- **Explanation of disagreement with audit finding:** There is no disagreement and management agrees with the finding.
- **Corrective action taken in response to finding:** The County Office of Finance will (1) develop a written plan to ensure that subrecipients are aware of all the Uniform Guidance requirements; (2) due to the pandemic and the recent retirement and resignation of the top two Grant department staff members, the monitoring was not conducted during the audit period. Management will make sure that the required monitoring will be conducted and ensure compliance and proper documentation is maintained onsite.
- **Name of the contact person responsible for corrective action:** Kevin McMahan, Office of Finance and Charles Knapp, Anne Arundel Workforce Development Corporation.
- **Planned completion date for the corrective action plan:** June 30, 2024.

ANNE ARUNDEL COUNTY, MARYLAND

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2023

Section V – Corrective Action Plan (continued)

2023-002: 14.218 – CDBG – Entitlement Grants Cluster

- **Recommendation:** We recommend the County establish and implement controls to maintain compliance with reporting requirements.
- **Explanation of disagreement with audit finding:** There is no disagreement and management agrees with the finding.
- **Corrective action taken in response to finding:** Management agrees to review the current procedures for submitting the required information through the Federal Funding Accountability and Transparency Act Subaward Reporting System to ensure the requirement for submission is met.
- **Name of the contact person responsible for corrective action:** Kevin McMahon, Office of Finance
- **Planned completion date for the corrective action plan:** June 30, 2024.

2023-003: 21.027 – COVID-19 – American rescue Plan Act Funds (US Treasury ARPA)

- **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 and management agrees with the finding.
- **Corrective action taken in response to finding:** The 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 corrective action:** Kevin McMahon, Office of Finance.
- **Planned completion date for the corrective action plan:** June 30, 2024.

2023-004: 20.205 – WB&A Trail (highway Planning and Construction)

- **Recommendation:** We recommend that the County formalize its agreement with the pass-through entity to clarify the responsibilities for the special test's requirements.
- **Explanation of disagreement with audit finding:** There is no disagreement and management agrees with the finding.
- **Corrective action taken in response to finding:** The County Purchasing Division will follow Federal regulation to ensure all requirements are addressed either in the solicitation documents or in the project manual.
- **Name of the contact person responsible for corrective action:** Catrice Parsons, Purchasing Agent – Central Services, Purchasing Division.
- **Planned completion date for the corrective action plan:** June 30, 2024.