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## **OTHER SECTION**

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**Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

The Honorable County Council  
Prince George's County, Maryland:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Prince George's County Maryland (the County) as of and for the year ended June 30, 2004 (collectively referred to as the "primary government financial statements"), and have issued our report thereon dated December 22, 2004. Our report was modified to indicate that we were also engaged to audit the financial statements of the aggregate discretely presented component units of the County as of and for the year ended June 30, 2004; however because the financial statements of the Board of Education of Prince George's County, a major discretely presented component unit, had not been audited, the scope of our work was not sufficient to enable us to express, and we did not express, an opinion on the financial statements of the aggregate discretely presented component units as of and for the year ended June 30, 2004. We conducted our audit of the primary government financial statements 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 Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the primary government financial statements and not to provide assurance on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.



### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's primary government financial statements are free of 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*.

This report is intended solely for the information and use of County Council, County management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP      Jeff Smith & Co.

December 22, 2004