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Management
Revenue Authority of Prince George's County

In planning and performing our audit of the financial statements of the Revenue Authority of Prince George's County (the Authority) as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comment and suggestion regarding those matters are summarized below. This letter does not affect our report on the financial statements dated October 11, 2019, nor our internal control communication dated October 11, 2019.

Accounting for Capital Assets

We identified certain items related to capital projects that were accounted for inappropriately. This included expensing of architectural and design costs related to capital projects, as well as a failure to record retainage for a project in process at year end. Additionally, depreciation expense was recorded on construction in process despite the fact that the assets were not placed into service. While adjustments were made to correct each of these oversights, it will be critical for the Authority to ensure proper treatment of construction costs as its projects advance in future years.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various Authority personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Authority, and is not intended to be, and should not be, used by anyone other than these specified parties.

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Baltimore, Maryland
October 11, 2019