

PRINCE GEORGE'S COUNTY, MARYLAND

REPORT ON SINGLE AUDIT

JUNE 30, 2018

**PRINCE GEORGE'S COUNTY, MARYLAND
TABLE OF CONTENTS
JUNE 30, 2018**

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	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	12
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	13



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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***

Members of the County Council
Prince George's County Government

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 Prince George's County Government (the County) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 29, 2019. Our report includes a reference to other auditors who audited the financial statements of Prince George's County Memorial Library System and Prince George's County Community Television, Inc., all discretely presented component units, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors. This report does not include the results of our testing of internal control over financial reporting or compliance and other matters for the Prince George's County Public Schools, Prince George's County Housing Authority, Prince George's County Revenue Authority, Prince George's County Industrial Development Authority, Prince George's Community College and Prince George's County Redevelopment Authority as we have issued a separate report for these entities. The financial statements of Prince George's County Community Television, Inc. were not audited in accordance with *Government Auditing Standards* and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Prince George's County Community Television, Inc.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be a material weakness and significant deficiency.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001 to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2018-002 to be a significant deficiency.

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*.

The County's Response to Finding

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
January 31, 2019



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Members of the County Council
Prince George's County, Maryland

Report on Compliance for Each Major Federal Program

We have audited Prince George's County, Maryland's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2018. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

The County's basic financial statements also include the operations of the Prince George's Community College, the Prince George's Board of Education, the Prince George's County Memorial Library System, the Prince George's Community Television, Inc., the Revenue Authority of Prince George's County, the Prince George's County Housing Authority, Prince George's County Industrial Development Authority, and the Prince George's County Redevelopment Authority which may have received federal awards, and which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2018. Our audit, described below, did not include the operations of these entities because other auditors were engaged to perform audits (when required) in accordance with the Uniform Guidance.

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.

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Prince George's County, Maryland

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal programs. 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 identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2018-003 and 2018-004. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However,

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Prince George's County, Maryland

we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2018-003 and 2018-004, that we consider to be significant deficiencies.

The County's responses to the internal control over noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 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, 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 the County as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 31, 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. Our report includes a reference to other auditors who audited the financial statements of Prince George's County Memorial Library System and Prince George's County Community Television, Inc., as described in our report on the County's financial statements. The federal expenditures, where applicable, for the Board of Education of Prince George's County, the Prince George's Community College, the Prince George's Housing Authority, the Prince George's Memorial Library, and the Prince George's Community Television, Inc., are not included in the accompanying schedule of expenditures and federal awards. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
March 29, 2019

**PRINCE GEORGE'S COUNTY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

Federal Agency/Pass-Through Entity Program Name	Federal Catalog Number	Pass-Through Entity Number	Federal Expenditures by Program	Total Federal Expenditures	Sub-Recipient Expenditures
U.S. DEPARTMENT OF AGRICULTURE (USDA)					
PASS-THROUGH MARYLAND					
DEPARTMENT OF HEALTH AND MENTAL HYGIENE (DHMH)					
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)					
WIC	10.557	WI197WIC	1,930,379		
WIC Breastfeeding Peer Counseling	10.557	WIB37BPC	162,109		
WIC Vouchers	10.557	none	<u>10,685,193</u>	<u>12,777,681</u>	
PASS-THROUGH MARYLAND					
DEPARTMENT OF HUMAN SERVICES (MDHS)					
Programs of the SNAP Cluster:					
Food Stamp Employment & Training	10.551	N00G0002	242,295	<u>242,295</u>	
Subtotal SNAP Cluster					<u>242,295</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE					
				<u>13,019,976</u>	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)					
Direct					
Programs of the CDBG - Entitlement Grants Cluster:					
Community Development Block Grant (CDBG)	14.218		7,115,445		
Community Development Block Grant- Loans	14.218		4,393,704		
ARRA-NSP Loans	14.218		<u>1,442,664</u>	<u>12,951,813</u>	6,319,905
Subtotal CDBG - Entitlement Grants Cluster					<u>12,951,813</u>
Emergency Solutions Grant Program					
Emergency Shelter	14.231		178,790	178,790	105,111
Continuum of Care Program					
Continuum of Care	14.267		774,576		
Success Rapid Re-housing	14.267		41,819		
Transitional Housing Program	14.267		917,210		
Homeless Management Information System	14.267		1,797		
Transitional Center for Men	14.267		123,310		
Permanent Housing Program for People with Disabilities	14.267		<u>553,280</u>	<u>2,411,992</u>	
Home Investment Partnerships Program (HOME)					
Home Investment Partnerships Program	14.239		142,209		
Home Investment Partnerships Program- Loans	14.239		<u>20,696,570</u>	<u>20,838,779</u>	504,945
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
				<u>36,381,374</u>	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**PRINCE GEORGE'S COUNTY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

Federal Agency/Pass-Through Entity Program Name	Federal Catalog Number	Pass-Through Entity Number	Federal Expenditures by Program	Total Federal Expenditures	Sub-Recipient Expenditures
<u>U.S. DEPARTMENT OF JUSTICE (DOJ)</u>					
Direct					
Asset Forfeiture					
Asset Forfeiture	16.999		1,040,663	1,040,663	
Edward Byrne Memorial Justice Assistance Grant Program					
JAG	16.738		92,204		
JAG - Department of Corrections	16.738		16,246		
Jag Local	16.738		<u>172,506</u>	280,956	
Second Chance Act Reentry Initiative					
Smart Reentry	16.812		213,516	213,516	
Services for Trafficking Victims					
Human Trafficking Task Force	16.320		1,382	<u>1,382</u>	
Subtotal Direct Programs				1,536,517	
<u>PASS-THROUGH GOVERNORS OFFICE OF CRIME</u>					
CONTROL AND PREVENTION					
Community-Based Violence Prevention					
Violence Prevention	16.123	CBVP-2013-0001	328	328	
Juvenile Justice and Delinquency Prevention Allocation					
Disproportionate Minority Contact	16.540	JJAC-2015-1401	500		
Disproportionate Minority Contact	16.540	JJAC-2016-0008	<u>17,000</u>	17,500	
Crime Victim Assistance					
Bilingual Victim Advocacy & Victim Assistance	16.575	VOCA-2016-0051	98,227		
Supporting Victim	16.575	VOCA-2015-0055	39,842		
Supportive Assistance & Financial Empowerment	16.575	VOCA-2016-0072	223,897		
Special Victim Assistant	16.575	VOCA-2016-0049	21,339		
Family Justice	16.575	VOCA-2016-0039	<u>202,692</u>	585,997	
Child Protection Education Unit	16.582	VOTC-2015-0001	31,500	31,500	
Violence Against Women Formula Grants					
Violence Against Women	16.588	VAWA-2016-0042	14,140		
Violence Against Women	16.588	VAWA-2017-0063	<u>71,483</u>	85,623	
Edward Byrne Memorial Justice Assistance Grant Program					
Child Advocacy Training	16.738	BJAG-2016-0008	13,997		
Justice Information Sharing Solution	16.738	JISS-2014-0002	12,897		
Backlog Reduction	16.738	BJAG-2014-0072	14,250		
Crime Reduction Initiative	16.738	BJAG-2015-0034	<u>39,550</u>	80,694	
Project Safe Neighborhoods					
Project Safe Neighborhoods	16.609	PSNM-2017-0001	4,825		
Project Safe Neighborhoods	16.609	PSNM-2017-0002	<u>1,215</u>	6,040	
Paul Coverdell Forensic Sciences Improvement Grant Program					
Forensic Sciences	16.742	CFSI-2016-0002	23,527	<u>23,527</u>	
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>2,367,726</u>	
<u>U.S. DEPARTMENT OF LABOR (DOL)</u>					
<u>PASS-THROUGH SENIOR SERVICES AMERICA, INC. (SSA)</u>					
Senior Community Service Employment Program					
Senior Community Service Employment	17.235	none	462,595	<u>462,595</u>	
TOTAL U.S. DEPARTMENT OF LABOR				<u>462,595</u>	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**PRINCE GEORGE'S COUNTY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

Federal Agency/Pass-Through Entity Program Name	Federal Catalog Number	Pass-Through Entity Number	Federal Expenditures by Program	Total Federal Expenditures	Sub-Recipient Expenditures
U.S. DEPARTMENT OF TRANSPORTATION (DOT)					
PASS-THROUGH MARYLAND DEPARTMENT OF					
TRANSPORTATION (MDOT)					
Motor Carrier Safety Assistance					
Commercial Vehicle Inspection Program	20.218	PG22STAPO2016	2,718	2,718	
Programs of the Federal Transit Cluster:					
Ridesharing	20.507	ZC0207	146,045	<u>146,045</u>	
Subtotal Federal Transit Cluster				146,045	
Formula Grants for Rural Areas					
Statewide Specialized Transportation Assistance Program (Section 5311)	20.509	none	156,506	156,506	
Programs of the Highway Planning and Construction Cluster					
Brandywine Road Bridge	20.205	none	191	191	
Sunnyside Avenue Bridge	20.205	none	53,760	53,760	
Livingston Road Bridge	20.205	none	<u>10,538</u>	<u>64,489</u>	
Subtotal Highway Planning and Construction Cluster				64,489	
Programs of the State and Community Highway Safety Cluster:					
Traffic Safety	20.600	LE-PGPD-2018-192	128,436	<u>128,436</u>	
Subtotal State and Community Highway Safety Cluster				128,436	
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>498,194</u>	
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (CNCS)					
Direct					
Programs of the Foster Grandparent/Senior Companion Cluster:					
Foster Grandparents	94.011		146,017	<u>146,017</u>	
Subtotal Foster Grandparent/Senior Companion Cluster				146,017	
Retired and Senior Volunteer Program					
Community RSVP	94.002		35,136	<u>35,136</u>	
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				<u>181,153</u>	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)					
Direct					
SOC Implementation					
System of Care Expansion	93.104		312,478	312,478	
Low-Income Home Energy Assistance					
Office of Home Energy Programs	93.568		835	835	
Office of Home Energy Programs	93.568		<u>1,241,842</u>	<u>1,242,677</u>	
Subtotal Direct Programs				1,555,155	
PASS-THROUGH MARYLAND DEPARTMENT					
OF HEALTH AND MENTAL HYGIENE (DHMH)					
Substance Abuse and Mental Health Services-					
Projects of Regional and National Significance					
Offender Reentry Program	93.243	1H79TI026361-01	288,345	288,345	
MD Project Launch	93.243	MH568OTH	<u>150,070</u>	438,415	
Public Health Emergency Preparedness					
Public Health Preparedness	93.069	CH823PHP	529,704	529,704	
Cities Readiness Initiatives	93.069	CH823PHP	<u>122,580</u>	652,284	
Project Grants and Cooperative Agreements					
for Tuberculosis Control Programs					
Tuberculosis Control	93.116	CHO14TBF	189,836	189,836	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**PRINCE GEORGE'S COUNTY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

Federal Agency/Pass-Through Entity Program Name	Federal Catalog Number	Pass-Through Entity Number	Federal Expenditures by Program	Total Federal Expenditures	Sub-Recipient Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)					
PASS-THROUGH MARYLAND DEPARTMENT					
OF HEALTH AND MENTAL HYGIENE (DHMH) (Cont.)					
HIV Care Formula Grants					
Ryan White B Flex Svcs	93.917	AD485RWS	1,556,169	1,556,169	
Refugee and Entrant Assistance Discretionary Grants					
Epidemiology Migrant Refugee Health	93.576	CH422REF	177,811	177,811	
Children's Health Insurance Program					
PWC Eligibility	93.767	MA186ACM	61		
MCHP Eligibility Determination	93.767	MA186ACM	170,113		
Administrative Care Coordination	93.767	MA021EPS	<u>120,355</u>	290,529	
Programs of the Medicaid Cluster:					
PWC Eligibility	93.778	MA186ACM	366		
Medical Assistance Transport	93.778	MA357GTS	108,724		
Administrative Care Coordination Ombudsman	93.778	MA021EPS	6		
Medical Assistance Transportation	93.778	MA357GTS	(1,638)		
Administrative Care Coordination	93.778	MA021EPS	548,280		
General Medical Assistance Transportation	93.778	MA357GTS	1,604,080		
MCHP Eligibility Determination	93.778	MA186ACM	<u>1,138,447</u>	<u>3,398,265</u>	
Subtotal Medicaid Cluster:				3,398,265	
Opioid STR					
Maryland Opioid Rapid Response	93.788	AS018CTG	50,077	50,077	
Project for Assistance in Transition from Homelessness					
Path Project	93.150	MH 566 OTH	106,652	106,652	106,652
Family Planning Services					
Reproductive Health	93.217	FH095FPG	110,735	110,735	
Maternal and Child Health Services					
Block Grant to the States					
High Risk Infant	93.994	FH362HRI	88,159	88,159	
Block Grants for Community Mental Health Services					
Block Grants for Community Mental Health	93.958	MH 569 OTH	1,331,133	1,331,133	1,197,098
Block Grants for Prevention and Treatment of Substance Abuse					
Prevention Services	93.959	MU530ADP	1,209		
Administrative Grant	93.959	AS358ADM	(32,087)		
Federal Fund Treatment	93.959	AS243FED	1,081		
Integration of Sexual Health In Recovery	93.959	AD681INT	11,287		
Prevention Services	93.959	MU530ADP	460,883		
Administrative	93.959	AS358ADM	293,332		
Federal Fund Treatment Grant	93.959	AS243FED	416,167		
Integration of Sexual Health in Recovery	93.959	AD681INT	133,314		
HIV Testing in Behavioral Health	93.959	AD725TBH	<u>71,799</u>	1,356,985	242,522
Preventive Health Services -Sexually Transmitted Diseases					
STD Caseworker	93.977	CHO32STD	30		
STD Caseworker	93.977	CHO32STD	<u>70,209</u>	70,239	
Affordable Care Act					
Personal Responsibility Education	93.092	FHC31PRE	75,000	75,000	
Programs of the Maternal, Infant, and Early Childhood Home Visiting Cluster:					
Home Visiting	93.505	PHPA-G2411	174,784		
Home Visiting	93.505	PHPA-G2792	<u>407,087</u>	<u>581,871</u>	
Subtotal Maternal, Infant, and Early Childhood Home Visiting Cluster				581,871	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**PRINCE GEORGE'S COUNTY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

Federal Agency/Pass-Through Entity Program Name	Federal Catalog Number	Pass-Through Entity Number	Federal Expenditures by Program	Total Federal Expenditures	Sub-Recipient Expenditures
PASS-THROUGH MARYLAND DEPARTMENT OF AGING (MDOA)					
Aging Cluster:					
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers					
TITLE III/VII	93.044	AAA-3-24-015	365,085		
TITLE III AND V	93.044	650118/15	1,742,636	2,107,721	100,932
Subtotal Aging Cluster				2,107,721	
Medicare Enrollment Assistance					
MIPPA	93.071	653717/15	2,191		
MIPPA	93.071	653817/15	6,308	8,499	
Health Insurance Assistance Program					
Senior Health Insurance	93.324	ST-6515-015	50,505	50,505	
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects B					
Senior Medicaid Patrol	93.048	6534	13,421	13,421	
Programs of the Medicaid Cluster:					
Medical Assistance Program					
Hospital to Home Money Follows The Person	93.778	6906	25,357		
Maryland Access Point (MAP)	93.778	none	146,514		
Money Follows the Person	93.778	none	66,296	238,167	
Subtotal Medicaid Cluster:				238,167	
PASS-THROUGH DISTRICT OF COLUMBIA					
DEPARTMENT OF HEALTH (DCH)					
HIV Emergency Relief Project Grants					
Ryan White	93.914	17W022	3,291,068		
Ryan White Part A	93.914	18B022	1,273,861		
FHS Ryan White Part A	93.914	18B022	14,298		
Ryan White Part A	93.914	16Z022	22	4,579,249	3,860,488
PASS-THROUGH MARYLAND DEPARTMENT					
OF HUMAN RESOURCES (MDHR)					
Child Support Enforcement					
Child Support Enforcement Cooperative Reimbursement Agreement (CRA)	93.563	CSEA/CRA-16-108	314,440		
Child Support Enforcement Cooperative Reimbursement Agreement (CRA)	93.563	CSEA/CRA-18-019	171,353		
Child Support Enforcement Cooperative Reimbursement Agreement (CRA)	93.563	CSEA/CRA-18-019	772,794		
Child Support Enforcement Cooperative Reimbursement Agreement (CRA)	93.563	CSEA/CRA-17-019	98,902	1,357,489	
PASS-THROUGH CENTERS FOR DISEASE CONTROL AND					
PREVENTION (CDC)					
HIV Prevention Activities Health Department Based					
HIV Prevention Services	93.940	AD396PRV	846,882		
STD Caseworker	93.940	CH032STD	93,068	939,950	
PPHF Capacity Building Assistance to Strengthen Public Health					
Immunization Infrastructure and Performance					
Hepatitis B Prevention	93.539	CH352IMM	228,988		
Immunizations	93.539	CH352IMM	62,962	291,950	
Immunization Cooperative Agreements					
Hepatitis B Prevention	93.268	CH352IMM	121		
Immunizations	93.268	CH383IMM	1,201	1,322	
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
				21,617,588	
U.S. DEPARTMENT OF EDUCATION (USDE)					
PASS-THROUGH MARYLAND					
STATE DEPARTMENT OF EDUCATION (MSDE)					
Programs of the Special Education-Grants for Infants and Families Cluster:					
Infant and Toddlers-Part C	84.181	none	175,321	175,321	
Subtotal Special Education-Grants for Infants and Families Cluster				175,321	
TOTAL U.S. DEPARTMENT OF EDUCATION					
				175,321	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**PRINCE GEORGE'S COUNTY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

Federal Agency/Pass-Through Entity Program Name	Federal Catalog Number	Pass-Through Entity Number	Federal Expenditures by Program	Total Federal Expenditures	Total Sub-Recipient Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY (DHS)					
Direct					
Hazard Mitigation Grant					
Staffing Adequate Fire/Emergency Response	97.083		1,294,530	1,294,530	
Assistance to Firefighters					
Assistance to Firefighters	97.044		331,531	331,531	
Homeland Security Biowatch					
Biowatch	97.091		1,288,736	1,288,736	
Subtotal Direct Programs				2,914,797	
PASS-THROUGH MARYLAND EMERGENCY MANAGEMENT AGENCY (MEMA)					
Emergency Management Performance Grants					
Emergency Management Performance Grant	97.042	16-SR8854-01	125		
Emergency Management Performance Grant	97.042	17-SR8854-01	147,118	147,243	
Homeland Security Grant Program					
Hazard Mitigation	97.067	PDMCPL03MD2015	18,234		
State Homeland Security Grant Program	97.067	17-SR8854-02	115,985	134,219	
PASS-THROUGH DISTRICT OF COLUMBIA HOMELAND SECURITY AND EMERGENCY MANAGEMENT AGENCY					
Port Security Grant Program					
Port Security Grant Program	97.056	EMW-2015-PU-00407	24,684	24,684	
Homeland Security Grant Program					
Patient Tracking	97.067	15UASI606-01	21,297		
Radio Communications Network Fiber Interoperability	97.067	15UASI543-06	60,694		
State Homeland Security	97.067	16-SR8854-02	285,801		
UASI Exercise and Training Officer	97.067	16UASI543-01	71,948		
NIMS Compliance Officer	97.067	16UASI543-02	48,467		
Regional Planner	97.067	16UASI543-04	135,220		
UASI Volunteer and Citizen Corp Program	97.067	16UASI543-03	205,283		
EMS Surge Capacity	97.067	16UASI606-02	244,303		
UASI Radio Communications Network Fiber Interoperability	97.067	16UASI543-06	499,466		
UASI Radio Communication Encryption	97.067	16UASI543-07	499,982		
UASI 911 Center Staffing Study	97.067	16UASI543-08	91,000		
UASI Exercise and Training Officer Program	97.067	17UASI543-01	54,765		
UASI Volunteer and Citizen Corp Program	97.067	17UASI543-03	41,083		
UASI Regional Planner	97.067	17UASI543-04	140,864		
UASI NIMS Compliance Officer	97.067	17UASI543-02	326		
HSEMA UASI - Tactical and Ballistic	97.067	16UASI606-03	327,101		
UASI Data Exchange	97.067	13UASI543-07	(764)		
UASI SWAT	97.067	16UASI645-01	409,791		
UASI Tactical Equipment for Law Enforcement	97.067	17UASI645-01	71,750		
FirstWatch System Monitoring	97.067	16UASI606-01	378,000	3,586,377	
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				6,807,320	
U.S. ENVIRONMENTAL PROTECTION AGENCY					
Direct					
Solid Waste Management Assistance Grants					
Food Scrap Composting	66.808		13,190	13,190	
Subtotal Direct Programs				13,190	
PASS-THROUGH MARYLAND					
DEPARTMENT OF THE ENVIRONMENT (MDOE)					
Chesapeake Bay Program					
CBT Green Retrofit	66.466	185-2017	50,000		
MDE Urban Retrofit	66.466	U00P7400795	180,000	230,000	
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY				243,190	
TOTAL FEDERAL GRANT EXPENDITURES				81,754,437	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**PRINCE GEORGE'S COUNTY GOVERNMENT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards presents the activity of all Federal award programs of Prince George's County, Maryland (the County), as defined in Note 1(a) to the County's basic financial statements. All Federal awards received directly from Federal agencies as well as Federal awards passed through other government agencies or other entities are included in the schedule.

NOTE 2 BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. It includes all Federal awards to the County which had expenditure activity during the year ended June 30, 2018. Several programs are jointly funded by State of Maryland appropriations and Federal awards. The schedule of expenditures of federal awards reflects only that part of the grant activity funded by Federal awards.

NOTE 3 NONCASH FEDERAL AWARDS

Food Vouchers – U.S. Department of Agriculture (USDA): The Special Supplemental Food Program for Women, Infants, and Children (WIC) is a state of Maryland administered program that uses local governments to assist in screening participant eligibility and distribution of WIC vouchers. Distributed WIC vouchers are issued, controlled, collected, valued, audited, and canceled by the state of Maryland. These amounts are included in the schedule of expenditures of federal awards.

NOTE 4 LOAN PROGRAMS

The County participates in the Home Investment Partnerships (HOME) and Community Development Block Grant (CDBG) federal loan programs. The outstanding loan balances as of June 30, 2018 were \$20,696,570 and \$5,836,368, respectively.

NOTE 5 INDIRECT COSTS

The County did not elect the 10% de minimis indirect cost rate.

**PRINCE GEORGE'S COUNTY GOVERNMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

Section I – Summary of Independent Auditors' Results

Financial Statements

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

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? 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)? yes no

Identification of Major Federal Programs

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
HUD – Community Development Block	14.218
Entitlement Grant Cluster – ARRA	14.239
HUD – Home Investment Partnerships Program	93.778
HHS – Medical Assistance Program	93.914
HHS – HIV Emergency Relief Project Grants	

Dollar threshold used to distinguish between Type A and Type B programs: \$2,452,633

Auditee qualified as low-risk auditee? yes no

**PRINCE GEORGE'S COUNTY GOVERNMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

Section II – Financial Statement Findings

Finding 2018-001: Material Weakness in Internal Control Over Financial Reporting (Loan Accounting)

Condition

The County's current process for loan recordation involves management disbursing payments on a cash basis throughout the year and performing a year end reconciliation to identify loans outstanding. During our testing of the reconciliation and outstanding loan balance we identified several transactions that were not properly recorded. Material adjustments were made to properly account for the transactions. We noted the following:

- Approximately \$860,000 of disbursements made during the year were omitted from the outstanding loan balance.
- Approximately \$1,024,622 of loan activity was recorded as both unearned revenue and revenue; as well as both expenditures and loan receivables.
- Loan balances of \$7,855,109 disbursed in previous years were omitted improperly from the beginning outstanding loan balance.

Criteria

Chapter 9 of The Governmental Accounting, auditing and financial reporting states revenue should be recognized in governmental funds as soon as the government obtains a claim to resources, but only to the extent that the resources will be received soon enough to be used to liquidate liabilities of the current period. Thus an inflow related to a loan disbursement could not be recorded as both an unearned and earned amount. In addition an outflow related to a loan disbursement would be recorded as a receivable.

Cause

Supervisory review over the loan process did not detect the errors that were included in the financial statements of the County.

Effect

Material auditor-proposed adjusting journal entries were required to present the financial statements in accordance with generally accepted accounting principles.

Recommendation

We recommend that management review and strengthen its policies and procedures to ensure accurate GAAP financial reporting.

Views of responsible officials and planned corrective actions

Loans are recorded based on information received from the Department of Housing and Community Development. Agency and management have already begun to review the processes to record notes and loans receivable. More discussion of the issue will take place with the Department of Housing and Community Development and the auditors as needed.

**PRINCE GEORGE'S COUNTY GOVERNMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

Section II – Financial Statement Findings (Continued)

Finding 2018-002: Significant Deficiency in Internal Control over Financial Reporting (Timely Reporting)

Condition

The County was not able to complete the preparation of their financial statements in accordance with the State of Maryland time constraints, resulting in the need to obtain an extension.

Criteria

COSO/Internal Control Framework defines control activities as “policies and procedures that help ensure management’s directives are carried out.” This would include preparation of financial statements in a timely manner.

Article 19 section 40(a) of the Annotated Code of Maryland states that each county, incorporated city or town, and special taxing) is required to have its accounting records audited each fiscal year as to the methods, accuracy, and legality of the accounts, records, files, and reports. In general, a copy of the audit report must be submitted to the Legislative Auditor on such forms or in such manner as prescribed by the Legislative Auditor by November 1 after the close of the fiscal year or by January 1 after the close of the fiscal year for those local governments with a population of more than 400,000.

Cause

This is a result of the limited resources of the County and internal administrative and personnel issues.

Effect

Delays were experienced in preparing closing entries and obtaining final trial balances, schedules, reconciliations and other financial reports needed by management and the auditors. This resulted in the ultimate delay in producing the financial statements for the period under audit.

Recommendation

We recommend that management review current staffing to determine the sufficiency of resources to adequately close the books at year-end and prepare the financial statements in a timely manner in accordance with State requirements. We believe that the year-end closing could proceed more quickly by adhering to the closing schedule and maintaining timely account reconciliations. The timing of specific procedures should be coordinated with the timing of the need for the information. Progress should be monitored by management to determine that due dates are being met.

Views of responsible officials and planned corrective actions

Concur with observation regarding staffing levels. The County as well as the Accounting and Reporting section annually establishes a year end closing schedule. The Accounting and Reporting section is in the process of hiring additional personnel. If needed, temporary personnel will be brought in to meet the December 31st deadline.

**PRINCE GEORGE'S COUNTY GOVERNMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

Section III – Federal Award Findings and Questioned Costs

Finding Reference: **2018-003**

Federal Agency: U.S. Department of Housing and Urban Development
Compliance Requirement: Special Tests and Provisions – Environmental Reviews
Type of Finding: Significant Deficiency in Internal Control, Noncompliance
Federal Program: 14.218 – Community Development Block Grant Cluster
Grant Award: B17-UC-24-0002
Prior Year Finding Number: 2017-003

Condition/Context

The County failed to properly document the completion of the environmental review for 3 out of 60 rehabilitation projects.

Criteria

2 CFR 200.303 requires an entity to establish and maintain effective internal control 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. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Uniform Guidance states that projects must have an environmental review unless they meet criteria specified in the regulations that would exempt or exclude them from environmental certification requirements (24 CFR sections 58.1, 58.22, 58.34, 58.35, 570.604).

Cause

The County did not consistently perform their established procedures.

Effect

The County may have approved projects that were not compliant with the environmental review requirement which may result in project expenditures being unallowed.

Questioned Costs

Based on the available information we are unable to determine if there were unallowed costs.

Recommendation

We recommend that the County consistently perform established procedures to ensure that all approved projects meet the environmental review requirement. The review and results are documented prior to the approval and commencement of the CDBG-funded project.

Views of responsible officials and planned corrective actions:

See Corrective Action Plan

**PRINCE GEORGE'S COUNTY GOVERNMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

Section III – Federal Award Findings and Questioned Costs (Continued)

Finding Reference: 2018-004

Federal Agency: U.S. Department of Housing and Urban Development
Compliance Requirement: Special Tests and Provisions – Maximum Per-Unit Subsidy
Type of Finding: Significant Deficiency in Internal Control, Non-Compliance
Federal Program: 14.239 Home Investment Partnerships Program (HOME)
Grant Award: M17-UC-24-0505
Prior Year Finding Number: 2017-004

Condition/Context

The County failed to document their review of the maximum per-unit Subsidy for multi-family home loans for 1 out of 5 loans selected for testing.

Criteria

2 CFR 200.303 requires an entity to establish and maintain effective internal control 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. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The per-unit investment of HOME funds may not exceed the Federal Housing Administration (FHA) mortgage limits in Subsection 221(d)(3) of the National Housing Act, including any area-wide high cost exceptions approved by HUD. This information should be available from the grantee or the local HUD field office.

Cause

The County did not have appropriate controls in place to ensure that per-unit investment for all HOME projects were examined to determine that the costs are reasonable.

Effect

As a result of the finding, the County may have multiple families who did not meet the requirements necessary to receive assistance under the program.

Questioned Costs

Undetermined based on the information provided.

Recommendation

We recommend that the County implement procedures to ensure that each housing project's average per-unit investment in HOME-assisted units does not exceed the applicable Subsection 221 (d)3 limit prior to the commitment of HOME funds to a project.

Views of responsible officials and planned corrective actions:

See Corrective Action Plan