

**HOWARD COUNTY, MARYLAND
REPORT ON SINGLE AUDIT
YEAR ENDED JUNE 30, 2022**



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**HOWARD COUNTY, MARYLAND
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Members of the County Council
Howard County, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Howard County, Maryland (the County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 29, 2022. Our report includes a reference to other auditors who audited the financial statements of Howard Community College, Howard County Public Schools, and Howard County Public Library, 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. This report does not include the results of our testing of internal controls over financial reporting or compliance and other matters for Howard Housing Commission as we have issued a separate report for Howard Housing Commission.

Report on 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) as a basis for designing 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Honorable Members of the County Council
Howard County, Maryland

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.

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 control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Baltimore, Maryland
November 29, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Members of the County Council
Howard County, Maryland

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Howard County, Maryland's (the County) compliance with the types of compliance requirements identified as subject to audit 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, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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; 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 Auditors' 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.

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 control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditors' 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 control. 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 control 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 control 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 control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to this matter.

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 Control Over Compliance

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

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control 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 control 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 control over compliance is solely to describe the scope of our testing of internal control 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.

Honorable Members of the County Council
Howard County, Maryland

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 29, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Baltimore, Maryland
March 27, 2023

HOWARD COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Program	Assistance Listing Number	Contract/Grant ID Number	Passed Through to Subrecipients	Total Federal Expenditures
Equal Employment Opportunity Commission				
Fair Employment Practices Agency Contracts	30.001	45310019C0071	\$ -	\$ 31,400
Total Equal Employment Opportunity Commission			-	31,400
Environmental Protection Agency				
Pass-Through Maryland Department of the Environment				
Dunloggin MD Stream Restoration	66.466	16581	-	16,264
Pass-Through National Fish & Wildlife Foundation				
Chesapeake Bay Program - Innovative Nutrient and Sediment Reduction	66.466	0602.20.067589	-	143,977
Total Environmental Protection Agency			-	160,241
U.S. Department of Agriculture				
Pass-Through Maryland Department of Human Resources				
Howard County Department of Social Services				
SNAP Cluster				
Supplemental Nutrition Assistance Program	10.561	NA	-	1,232
SNAP Cluster Total			-	1,232
Total U.S. Department of Agriculture			-	1,232
U.S. Department of Health and Human Resources				
Pass-Through Maryland Department of Aging				
Aging Cluster				
COVID-19 -Special Programs for the Aging - Title III, Part B, Supportive Services and Senior Centers	93.044	2001MDSSC3-00	-	28,867
COVID-19 - Expanding Access to COVID-19 Vaccines	93.044	655221/12	-	21,044
Special Programs for Aging - Title III, Part B	93.044	2201MDOASS	-	261,118
Total Special Program for Aging, Title III, Part B			-	311,029
Special Programs for the Aging - Title III, Part C-1 & C-2 Nutrition Services - Congregate & Home Delivered Meals	93.045	2001MDOACM, 2001MDOAHD, 2201MDOACM, 2201MDOAHD	-	573,935
COVID-19 CARES Act - Nutrition Services	93.045	655121/12	-	103,499
Total Special Program for Aging, Title III, Part C, Nutrition Services			-	677,434
Nutrition Services Incentive Program	93.053	2001MDOANS, 2201MDOANS	-	77,583
Aging Cluster Total			-	1,066,046
Special Programs for the Aging - Title VII, Elder Abuse Prevention	93.041	2001MDOAEA	-	3,442
Ombudsman Services	93.042	2001MDOAOM, 2201MDOAOM, 654820/12	-	16,359
Special Programs for the Aging - Title III, Part D, Disease Prevention and Health Promotion Services	93.043	2001MDOAPH, 2201MDOAPH	-	25,235
Special Programs for the Aging - Title IV and II Discretionary Projects - Senior Medical Patrol	93.048	653422/12	-	7,572
National Family Caregiver Support - Title III, Part E	93.052	2001MDOAFC, 2201MDOAFC	-	107,161
Medicare Enrollment Assistance Program - MIPPA	93.071	1801MDMISH-01, 2101MDMISH-00, 2101MDMIAA-00	-	6,891
State Health Insurance Assistance Program	93.324	651522/12	-	24,692
Medicaid Cluster				
Pass-Through Maryland Department of Aging				
Aging Cluster				
Medical Assistance Program	93.778	APD-20-10	-	213,765
Pass-Through Maryland Department of Human Resources and Howard County Department of Social Services				
Medical Assistance Program	93.778	N/A	-	314
Pass-Through Maryland Department of Health and Howard County Health Department				
Medical Assistance Program	93.788	BH256SOR, BH207SOR	-	143,680
Medicaid Cluster Total			-	357,759
COVID-19 - Immunization Cooperative Agreements	93.268	MV614COV	-	239,563
Pass-Through Maryland Department of Human Resources and Howard County Department of Social Services				
Foster Care - Title IV-E	93.658	N/A	-	3,131
Child Support Enforcement Title IV-D	93.563	N/A	-	151,373
Pass-Through Maryland Department of Human Resources Office of Victim Services				
Child Support Enforcement Title IV-D	93.563	CSA/CRA/20-048, CSA/CRA-20-050	-	152,936
Total Child Support Enforcement Title IV-D			-	304,309
Pass-Through Governor's Office of Crime Control & Prevention				
Children's Justice Grants to State	93.643	CJAG-2020-0017	-	23,281
Pass-Through Maryland Family Network, Inc.				
CCDF Cluster				
Child Care and Development Block Grant	93.575	G1901MDCCDF, 2101MDCCDF	-	214,255
Pass-Through Maryland Department of Education				
Promoting Positive Change	93.575	210681, 221713	-	144,310
CCDF Cluster Total			-	358,565
Pass-Through Maryland Family Network				
Preschool Professional Development Grant	93.434	90TP0032	-	1,699
Pass-Through Maryland Department of Education				
Preschool Development Grant for Local Early Childhood Advisory Councils	93.434	221660, 211398, 211284, 220336	-	199,800
Total Preschool Professional Development Grants			-	201,499
Total Department of Health and Human Resources			-	2,745,505

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HOWARD COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Federal Program	Assistance Listing Number	Contract/Grant ID Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Homeland Security				
Assistance to Fire Fighters Grant Program - Fire Prevention and Safety	97.044	EMW-2018-FO-05438	\$ -	\$ 3,558
COVID-19 - Assistance to Fire Fighters Grant Program	97.044	EMW-2020-FG-02892	-	16,385
Total Assistance to Fire Fighters			-	19,943
Pass-Through Maryland Department of Health				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-DR-4491-MD	-	545,626
Pass-Through Maryland Emergency Management Agency				
Hazard Mitigation Grant Program	97.039	FEMA-DR-4261-MD-0002	-	277,994
Emergency Management Performance Grant Program	97.042	EMP-2020-EP-00002-S01, EMP-2021-EP-00003-S01	-	125,650
Urban Area Security Initiative Grant Program/State Homeland Security Grant Program	97.067	EMW-2019-SS-00064-SHSP, EMW-2021-SS-00047-SHSP, EMW-2019-SS-00064-UASI, EMW-2020-SS-00010-UASI, EMW-2021-SS-00047-S01-UASI	-	537,001
Total Department of Homeland Security			-	1,506,214
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	B-18-UC-24-0012, B-19-UC-24-0012, B20-UC-24-0012, B-21-UC-24-0012	1,287,218	1,338,882
COVID-19 - Community Development Block Grant - CV		B20-UW-24-0012,	368,450	368,450
Balance of Outstanding Loans as of 6/30/2021	14.218		-	1,052,959
CDBG - Entitlement Grants Cluster Total			1,655,668	2,760,291
Home Investment Partnerships Program	14.239	M17-UC240203, M18-UC240203, M20-UC240203, M21-UC240203	217,310	396,252
Balance of Outstanding Loans as of 6/30/2021	14.239		-	1,830,270
Home Investment Partnership Program Total			217,310	2,226,522
Continuum of Care Program	14.267	MD0390L3B041902, MD0116L3B042013, MD0118L3B042013 MD0366L3B042004, MD0465L3B042000, MD0390L3B042003 MD0119L3B042013, MD0119L3B042114	919,678	948,084
Pass-Through Maryland Department of Housing and Community Development, Division of Neighborhood Revitalization				
Emergency Solutions Grant Program	14.231	E-20-DC-24-0001, E-21-DC-24-0001, E-17-DC-24-0001	28,344	28,744
COVID-19 - Emergency Solutions Grant Program	14.231	E-20-DW-24-0001	259,338	338,335
Total Emergency Solutions Program			287,682	367,079
COVID-19 - Community Development Block Grant States Program	14.228	CV-2-11	1,844,777	1,844,777
Total Department of Housing and Urban Development			4,925,115	8,146,753
Department of Justice				
Equitable Sharing Program	16.922	MD0140100	-	276,296
Services for Trafficking Victims	16.320	2020-VT-BX-K021, 2020-VT-BX-K020	-	300,390
COVID-19 - PPE Initiative	16.034	2020-VD-BX-1171	-	58,416
State Criminal Alien Assistance Program	16.606	2019-AP-BX-0935	-	11,770
Edward Byrne Justice Assistance Grant Program	16.738	2018-DJ-BX-0221, 2019-DJ-BX-0841, 2020-DJ-BX-0337, 15PBJA-21-GG-01557-JAGX	-	79,339
Pass-Through Governor's Office of Crime Control and Prevention				
Edward Byrne Justice Assistance Grant Program	16.738	BJAG-2020-0019, BJNT-2017-0004	-	46,135
Total Edward Byrne Justice Assistance Grant Program			-	125,474
Pass-Through Governor's Office of Crime Control and Prevention				
COVID-19 - Coronavirus Emergency Supplemental Funding	16.034	CESF-2020-0064	-	40,383
Crime Victim Assistance Grant Program	16.575	VOCA-2019-0051, VOCA-2019-0134, VOCA-2019-0076 VOCA-2018-0177, VOCA-2019-0106, VOCA-2020-0006	-	287,593
Domestic Violence Legal Assistant	16.588	VAWA-2021-0014, VAWA-2020-0022	-	46,516
Pass-Through National Children's Alliance				
National Children's Alliance	16.758	ELLI-MD-TDTV21, ELLI-MD-SDTV21	-	75,622
Total Department of Justice			-	1,222,460
U.S. Department of Labor				
Pass-Through State of Maryland Department of Labor, Licensing and Regulation				
COVID-19 - National Dislocated Worker Grants	17.277	P16-MM-FY21-NDWG	-	97,455
Apprenticeship USA Grant	17.285	RIRF-077	-	4,695
WIA/WIOA Cluster				
Workforce Innovation and Opportunity Act - Youth Program	17.259	P26-HC-PY21-Y, HC-PY20-CO-Y	-	390,527
Workforce Innovation and Opportunity Act - Dislocated Workers Program	17.278	P26-HC-PY21-D, P26-HC-FY22-D, HC-FY21-CO-D, HC-PY20-CO-D	-	867,698
Workforce Innovation and Opportunity Act - Adult Program	17.258	HC-PY20-CO-A, HC-FY21-CO-A, P26-HC-PY21-A, P26-HC-FY22-A	-	288,115
Pass-Through Howard Community College				
WIOA Adult Program - Ophthalmic Technician Assistance Grant	17.258	CP-PY19-0001	-	3,526
Total WIOA Adult Program			-	291,641
WIA/WIOA Cluster Total			-	1,549,866
Total Department of Labor			-	1,652,016

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**HOWARD COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Federal Program	Assistance Listing Number	Contract/Grant ID Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Transportation				
Highway Planning and Construction Cluster				
Pass-Through Baltimore Metropolitan Council				
Unified Planning Work Program	20.505	N/A	\$ -	\$ 93,548
Pass-Through Maryland State Highway Administration				
Patuxent Branch Trail Paving	20.505	PO1635 C-1	-	289,632
Total Metropolitan Transportation Planning			-	383,180
Pass-Through Maryland Department of Transportation/ Maryland Transit Administration				
Federal Transit Cluster				
Assistance Program	20.507	HO05CMAQ2022	-	92,963
COVID-19 - Assistance Program	20.507	HO05CRRSAA07A2021	-	1,000,000
Pass-Through Maryland State Highway Administration				
COVID-19 - MTA	20.507	HO05CARES07O2020	-	2,000,000
Federal Transit Cluster Total			-	3,092,963
Pass-Through Maryland Department of Transportation/ Highway Safety Office				
Highway Safety Cluster				
State and Community Highway Safety - Aggressive and Distracted Driving	20.600	LE-HOWARD CO PD-2022-155, LE-HOWARD CO PD-2022-154	-	15,447
National Priority Safety Program - Impaired Driving	20.616	LE-HOWARD CO PD-2021-138, LE-HOWARD CO PD-2022-156	-	21,776
Highway Safety Cluster Total			-	37,223
Pass-Through Maryland Emergency Management Agency				
Hazardous Materials Emergency Preparedness Grant	20.703	693JK31940020HMEP	-	34,279
Pass-Through Maryland State Highway Administration				
Pedestrian Bike Counting Program	20.219	RT1711	-	5,795
Total Department of Transportation			-	3,553,440
Department of Treasury				
COVID-19 - Emergency Rental Assistance	21.023	ERA0213, ERAE0155	10,593,525	10,851,885
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP2806	10,020,364	20,631,911
Pass-Through Maryland Dept. of Housing & Community Development, Division of Neighborhood Revitalization				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	987,864
Pass-Through Maryland Department of Labor, Licensing & Regulation State of Maryland				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	HC-ARPA-PY21, FY21-RELIEF ACT-HOCO-MOD #001	-	350,590
Pass-Through Maryland Department of Commerce				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	302,207
Total Coronavirus State and Local Fiscal Recovery Funds			10,020,364	22,272,572
Pass-Through Maryland Department of Health and Howard County Health Department				
COVID-19 - Coronavirus Relief fund	21.019	N/A	1,047,993	1,650,000
Pass-Through Maryland Dept. of Budget and Management				
COVID-19 - Coronavirus Relief fund	21.019	N/A	2,738,763	4,084,396
Total Coronavirus Relief Funds			3,786,756	5,734,396
Total Department of Treasury			24,400,645	38,858,853
Total Federal Awards Expended			\$ 29,325,760	\$ 57,878,114

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HOWARD COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes all federal grants to the County that had activity during the fiscal year ended June 30, 2022. The Schedule was prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), with the exception of Assistance Listing Number (ALN) 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Because the schedule presents only a selected portion of the operations of Howard County, Maryland (the County), it is not intended to and does not present the financial position, changes in net assets or cash flows of the County. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 2 INDIRECT COSTS

The County did not elect to use the 10 percent de minimis cost rate for indirect costs.

NOTE 3 LOAN PROGRAM

The County has a program to provide low-interest loans to businesses providing housing for low to moderate income persons. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the County. The loans were disbursed under ALN 14.218 and ALN 14.239 and the outstanding loan balances as of June 30, 2022 were \$1,048,641 and \$1,915,713, respectively.

**HOWARD COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

1. Internal control over major programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? x yes _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Programs

<u>Name of Federal Program or Cluster</u>	<u>Federal ALN(s)</u>
CDBG – Entitlement Grant	14.218
CDBG – Non-Entitlement Grant	14.228
Federal Transit Cluster	20.507
COVID-19 – Emergency Rental Assistance	21.023
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,736,343

Auditee qualified as low-risk auditee? x yes _____ no

**HOWARD COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2022**

Section II – Financial Statement Findings

There were no audit findings required to be reported in relation to the financial statements for the year ended June 30, 2022.

HOWARD COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2022

Section III – Findings and Questioned Costs for Federal Awards

Reference Number: 2022-001
Prior Year Finding: No
Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: CDBG Entitlement Grant Cluster
Assistance Listing Number: 14.218
Award Number: B-18-UC-24-0012, B-19-UC-24-0012, B20-UW-24-0012,
B20-UC-24-0012, B-21-UC-24-0012
Compliance Requirement: Reporting – Federal Funding Accountability and
Transparency Act (FFATA)
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other
Matters

Criteria: *Compliance:* Per the Federal Funding Accountability and Transparency Act (FFATA), prime (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). Reports must be filed in FSRS by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$30,000. If the initial award is below \$30,000 but subsequent grant modifications result in a total award equal to or over \$30,000, the award will be subject to the reporting requirements as of the date the award exceeds \$30,000. If the initial award equals or exceeds \$30,000 but funding is subsequently de-obligated such that the total award amount falls below \$30,000, the award continues to be subject to FFATA reporting requirements.

The following key data elements must be reported: Subawardee Name and Data Universal Numbering System (DUNS) number; Amount of Subaward (inclusive of modifications); Subaward Obligation/Action Date; Date of Report Submission; Subaward Number; Project Description; and Names and Compensation of Highly Compensated Officers. (Names and Compensation of Highly Compensated Officers must only be reported when the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$30,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.)

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: 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 comply 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).

Condition: The County did not timely report required subaward information to FSRS for first-tier subawards of \$30,000 or more.

Questioned Costs: None

**HOWARD COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2022**

Context:

Five of five subawards selected for testing were reported to FSRS.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
5	0	5	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$602,645	\$0	\$602,645	\$0	\$0

Cause: The County's policies and procedures were not sufficient to ensure that required subaward information was timely reported to FSRS. Internal controls did not prevent or detect the errors.

Effect: Subawards were not properly reported in FSRS in accordance with FFATA requirements.

Recommendation: We further recommend the County to develop controls and procedures to ensure that all required subawards are reported accurately and timely to FSRS.

Views of Responsible Officials and Planned Corrective Action:

The County agrees with the finding. See separate Corrective Action Plan related to this finding.