

**HOWARD COUNTY, MARYLAND
REPORT ON SINGLE AUDIT
YEAR ENDED JUNE 30, 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**HOWARD COUNTY, MARYLAND
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023**

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 <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	10
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	11



**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, 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 November 27, 2023. 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. 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.

Honorable Members of the County Council
Howard County, Maryland

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 27, 2023



**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, 2023. 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, 2023.

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.

Other Matter – Federal Expenditures Not included in the Compliance Audit

The County's basic financial statements include the operations of Howard Community College, Howard County Public Schools, and Howard County Public Library, all of which are discreetly presented component units. Federal awards received by Howard Community College, Howard County Public Schools, and Howard County Public Library are not included in the County's schedule of expenditures of federal awards for the year ended June 30, 2023. Our compliance audit, described in the Opinion on Each Major Federal Program, does not include the operations of Howard Community College, Howard County Public Schools, and Howard County Public Library because each of these discreetly presented component units engaged other auditors to perform an audit of compliance.

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 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Honorable Members of the County Council
Howard County, Maryland

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance finding 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 a certain deficiency 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 2023-001 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.

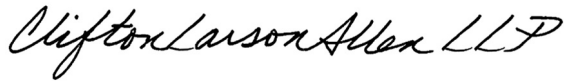
Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other 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, 2023 and the related notes to the financial statements, which collectively comprise the County’s basic financial statements. We issued our report thereon dated November 27, 2023, 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 13, 2024

**HOWARD COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Federal Program	Assistance Listing Number	Pass-Through Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Equal Employment Opportunity Commission				
Fair Employment Practices Agency Contracts	30.001		\$ -	\$ 23,240
Total Equal Employment Opportunity Commission			-	23,240
Institute of Museum & Library Services				
Pass-Through Howard County Library System				
Pathway to Success: Professional Development	45.312	S2384802	-	2,872
Total Institute of Museum & Library Services			-	2,872
Environmental Protection Agency				
Pass-Through Maryland Department of the Environment				
Dunloggin MD Stream Restoration	66.466	16581	-	5,263
Pass-Through National Fish & Wildlife Foundation				
Chesapeake Bay Program - Innovative Nutrient and Sediment Reduction	66.466	0602.20.067589	-	312,687
Total Environmental Protection Agency			-	317,950
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	Not Available	-	1,363
SNAP Cluster Total			-	1,363
Total U.S. Department of Agriculture			-	1,363
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	3202MDSSC6-00	-	55,550
COVID-19 - Expanding Access to COVID-19 Vaccines	93.044	655221/12	-	6,469
Special Programs for Aging - Title III, Part B	93.044	2201MDOASS	-	276,724
Total Special Program for Aging, Title III, Part B			-	338,743
Special Programs for the Aging - Title III, Part C-1 & C-2 Nutrition Services - Congregate & Home Delivered Meals	93.045	2201MDOACM, 2201MDOAHD, 2301MDOACM	-	319,717
COVID-19 Services - Congregate & Home Delivered Meals	93.045	2101MDCMC-00, 2101 MDHDC6-00	-	280,635
Total Special Program for Aging, Title III, Part C, Nutrition Services			-	600,352
Nutrition Services Incentive Program	93.053	2301MDOANS, 2201MDOANS	-	32,662
Aging Cluster Total			-	971,757
Special Programs for the Aging - Title VII, Elder Abuse Prevention	93.041	2301MDOAEA	-	3,465
Ombudsman Services	93.042	2001MDOAOM, 2201MDOAOM, 654820/12	-	27,707
Special Programs for the Aging - Title III, Part D, Disease Prevention and Health Promotion Services	93.043	2201MDOAPH, 2301MDOAPH, 2101MDPHC6-00	-	29,302
Special Programs for the Aging - Title IV and II Discretionary Projects - Senior Medical Patrol	93.048	90MPPG0001-05-00	-	15,496
National Family Caregiver Support - Title III, Part E	93.052	2301MDOAFC, 2201MDOAFC	-	107,358
COVID-19 Act Title III E Family Caregivers - FCC6	93.052	2101MDFCC6-00	-	26,494
Total National Family Caregiver Support, Title III, Part E			-	133,852
Medicare Enrollment Assistance Program - MIPPA	93.071	2201MDMISH-01, 2201MDMIAA-01	-	8,380
State Health Insurance Assistance Program	93.324	90SAPG0109-03-00	-	24,820
Medicaid Cluster				
Pass-Through Maryland Department of Aging				
Aging				
Medicaid Administrative Federal Financial Participation FY2021-2022	93.778	APD-20-10	-	266,648
Pass-Through Maryland Department of Human Resources and Howard County Department of Social Services				
Title XIX MA Eligibility	93.778	Not Available	-	277
Medicaid Cluster Total			-	266,925
Pass-Through Maryland Department of Health and Howard County Health Department				
State Opioid Response	93.788	BH009SOR, BH256SOR	-	267,126
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, CSA/CRA/23-048, CSA/CRA/23-050	-	299,533
Pass-Through Maryland Family Network, Inc.				
CCDF Cluster				
Child Care and Development Block Grant	93.575	2101MDCCDF, 2201MDCCDD, 2201MDCCDD,2101MDCCDD, 2101MDCMC6	-	435,827
Pass-Through Maryland Department of Education				
Promoting Positive Change	93.575	221713	-	135,506
CCDF Cluster Total			-	571,333
Pass-Through Maryland Family Network, Inc.				
Community Based Child Abuse Prevention	93.590	Not Available	-	30,000
Foster Care Program Title IV-E	93.658	Not Available	-	3,309
Pass-Through Maryland Department of Education				
Preschool Development Grant for Local Early Childhood Advisory Councils	93.434	221660, 220336	-	54,524
Total Preschool Professional Development Grants			-	87,833
Total Department of Health and Human Resources			-	2,707,529

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**HOWARD COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Federal Program	Assistance Listing Number	Pass-Through Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Homeland Security				
Pass-Through Maryland Department of Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4279-DR-MD, FEMA-4376-DR-MD	\$ -	\$ 637,524
Covid-19 Disaster Grant -Safe Opening and Operation activities	97.036	FEMA-4491-DR-MD	-	43,323
Total Assistance for Disaster Grants			-	680,847
Emergency Management Performance Grant	97.042	EMP-2021-EP-00003-S01, EMP-2022-EP-00001-S01	-	119,391
COVID-19 Emergency Performance Grant	97.042	EMP-2021-EP-00006-S01	-	40,338
Total Assistance for Emergency Performance Grants			-	159,729
Urban Area Security Initiative Grant Program/State Homeland Security Grant Program	97.067	EMW-2020-SS-00010-SHSP, EMW-2020-SS-00010-UASI, EMW-2021-SS-00047 SHSP, EMW-2021-SS-00047-S01-UASI, EMW-2022-SS-00009-S01 SHSP	-	853,028
Total Department of Homeland Security			-	1,693,604
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218		1,007,035	1,067,679
Balance of Outstanding Loans as of 6/30/2023	14.218		-	1,041,039
CDBG - Entitlement Grants Cluster Total			1,007,035	2,108,718
Home Investment Partnerships Program	14.239		-	147,430
Balance of Outstanding Loans as of 6/30/2023	14.239		-	2,057,069
Home Investment Partnership Program Total			-	2,204,499
Continuum of Care Program	14.267		893,347	959,422
Pass-Through Maryland Department of Housing and Community Development, Division of Neighborhood Revitalization				
Emergency Solutions Grant Program	14.231	E-21-DC-24-0001, E-22-DC-24-0001	53,410	53,410
COVID-19 - Emergency Solutions Grant Program	14.231	E-20-DW-24-0001	174,236	174,236
Total Emergency Solutions Program			227,646	227,646
COVID-19 - Community Development Block Grant States Program	14.228	CV-2-11	155,223	155,223
Total Department of Housing and Urban Development			2,283,251	5,655,508
Department of Justice				
Equitable Sharing Program	16.922		-	201,181
Services for Trafficking Victims	16.320		-	385,421
State Criminal Alien Assistance Program	16.606		-	36,815
Edward Byrne Justice Assistance Grant Program	16.738		-	22,858
Pass-Through Governor's Office of Crime Control and Prevention				
Edward Byrne Justice Assistance Grant Program	16.738	BJAG-2018-0047, BJAG-2020-0037, BJAG-2020-0019, BJAG-2020-0044, BJAG-2020-0043	-	151,561
Crime Victim Assistance Grant Program	16.575	VOCA-2019-0134, VOCA-2018-0177, VOCA-2022-0131, VOCA-2022-0003	-	154,209
Domestic Violence Legal Assistant	16.588	VAWA-2021-0014, VAWA-2020-0022	-	39,443
Pass-Through National Children's Alliance				
National Childrens Alliance	16.834	ELLI-MD-DTVF23	-	1,252
Total Department of Justice			-	992,540
U.S. Department of Labor				
Pass-Through State of Maryland Department of Labor, WIA/WIOA Cluster				
Workforce Innovation and Opportunity Act - Youth Program	17.259	P26-HC-PY21-Y, P36-HC-PY22-Y	-	280,240
Workforce Innovation and Opportunity Act - Dislocated Workers Program	17.278	P26-HC-PY21-D, P26-HC-FY22-D, P36-HC-PY22-D, P36-HC-PY23-D	-	727,047
Workforce Innovation and Opportunity Act - Adult Program	17.258	P26-HC-PY21-A, P26-HC-FY22-A, P36-HC-PY22-A, P36-HC-FY23-A	-	207,095
Pass-Through Howard Community College				
WIOA Adult Program - Ophthalmic Technician Assistance Grant	17.258	CP-PY19-0001	-	530
Total WIOA Adult Program			-	207,625
WIA/WIOA Cluster Total			-	1,214,912
Total Department of Labor			-	1,214,912

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**HOWARD COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Federal Program	Assistance Listing Number	Pass-Through Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Transportation				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning				
Pass-Through Baltimore Metropolitan Council Unified Planning Work Program	20.505	Not Available	\$ -	\$ 25,806
Pass-Through Maryland State Highway Administration Patuxent Branch Trail Paving	20.505	PO1635 C-1, PO1957 C-1	-	420,500
Total Metropolitan Transportation Planning			<u>-</u>	<u>446,306</u>
Pass-Through Maryland Department of Transportation/ Maryland Transit Administration				
Federal Transit Cluster				
Assistance Program	20.507	HO05CMAQ2023	-	130,507
COVID-19 - Assistance Program	20.507	HO05CRRSAA07A2021	-	869,774
Pass-Through Maryland State Highway Administration COVID-19 - MTA	20.507	HO05CARES07O2020, HO05ARPA07O2022	-	3,830,699
Federal Transit Cluster Total			<u>-</u>	<u>4,830,980</u>
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 LE-HOWARD CO PD 2023-073, LE HOWARD CO PD 2023-071	-	32,016
National Priority Safety Program - Impaired Driving	20.616	LE-HOWARD CO PD-2022-156, LE HOWARD CO PD-2023-074	-	26,887
Highway Safety Cluster Total			<u>-</u>	<u>58,903</u>
Pass-Through Maryland Emergency Management Agency				
Hazardous Materials Emergency Preparedness Grant	20.703	19-GA 8850-05, 22-SR 8850-04	-	7,185
Total Department of Transportation			<u>-</u>	<u>5,343,374</u>
Department of Treasury				
COVID-19 - Emergency Rental Assistance	21.023			4,800,440
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		2,644,601	9,282,529
Pass-Through Maryland Dept. of Housing & Community Development, Division of Neighborhood Revitalization				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		-	89,566
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, HC-ARPA II	-	736,201
Pass-Through Maryland Department of Budget and Management				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP3591	-	25,000
Total Coronavirus State and Local Fiscal Recovery Funds			<u>2,644,601</u>	<u>10,133,296</u>
Total Department of Treasury			<u>2,644,601</u>	<u>14,933,736</u>
Total Federal Awards Expended			<u>\$ 4,927,852</u>	<u>\$ 32,886,628</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HOWARD COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

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, 2023. 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*. 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 Assistance Listing Number 14.218 and Assistance Listing Number 14.239 and the outstanding loan balances as of June 30, 2023 were \$1,041,039 and \$2,057,069, respectively.

**HOWARD COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

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? _____ 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? 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 Federal Programs

<u>Name of Federal Program or Cluster</u>	<u>Federal Assistance Listing Number(s)</u>
Home Investment Partnership Program	14.239
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: \$ 986,599
- Auditee qualified as low-risk auditee? x yes _____ no

HOWARD COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**HOWARD COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section III – Findings and Questioned Costs – Federal Awards

Reference Number: 2023-001

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Home Investment Partnership

Assistance Listing Number: 14.239

Federal Award Identification Number and Year: M21-UC240203 - 2021 & M22-UC240203 – 2022

Award Period: 7/1/2021 – 6/30/2029 and 8/3/2022 – 9/1/2023

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: During the period of affordability (i.e., the period for which the nonfederal entity must maintain subsidized housing) for HOME assisted rental housing, the participating jurisdiction must perform on-site inspections to determine compliance with property standards and verify the information submitted by the owners no less than (a) every three years for projects containing 1 to 4 units, (b) every two years for projects containing 5 to 25 units, and (c) every year for projects containing 26 or more units. The participating jurisdiction must perform on-site inspections of rental housing occupied by tenants receiving HOME/HOME-ARP-assisted tenant-based rental assistance to determine compliance with housing quality standards (24 CFR sections 92.209(i), 92.251(f), and 92.504(d)).

Regarding HOME-ARP funds: the rental units must comply with the same requirements as HOME per 24 CFR 92.251 for (a) new construction, (b) rehabilitation projects, (c)(1) and (2) acquisition of standard housing, (d) manufactured housing, and (e) ongoing property condition standards.

Condition: The County did not perform onsite inspections of housing occupied by tenants receiving home-assisted tenant-based rental assistance to determine compliance with housing quality standards.

Questioned costs: None

Context: The County did not conduct the annual inspections for all units as required.

Cause: The County's policies and procedures were not sufficient to ensure that the required onsite inspections of rental housing occupied by tenants receiving HOME-assisted tenant-based rental assistance to determine compliance with housing quality standards.

Effect: Compliance with housing quality standards was not ensured in the absence of inspections. There is an increased risk that the tenants living in substandard housing conditions that do not meet the minimum requirements for health and safety.

Repeat finding: No

Recommendation: We recommend the County develop internal controls and procedures to ensure Housing Quality Standard requirements are met. We further recommend the County develop a tracking system to ensure all tenants receiving HOME-assisted tenant-based rental assistance are inspected timely.

Views of responsible officials: The County agrees with the finding.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.