

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



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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 County Executive
Members of County Council
Baltimore County, Maryland
Towson, 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 Baltimore 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 April 30, 2024. Our report includes a reference to other auditors who audited the financial statements of the Community College of Baltimore County, a discretely presented component unit, 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 control over financial reporting or compliance and other matters that are reported on separately by those other auditors. This report also does not include the results of our testing of internal control over financial reporting or compliance and other matters for the Baltimore County Public Schools and the Board of Library Trustees, discretely presented component units, as we have issued a separate report on these entities.

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.

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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

Honorable County Executive
Members of County Council

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 2023-003 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 deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be significant deficiencies.

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*.

The County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and 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 the financial statements and, accordingly, we express no opinion on the response.

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 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

Baltimore, Maryland
April 30, 2024



**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**

Honorable County Executive
Members of County Council
Baltimore County, Maryland
Towson, Maryland

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Baltimore 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 Matters – Federal Expenditures Not Included in the Compliance Audit

The County’s basic financial statements include the operations of the Baltimore County Public Schools, the Board of Library Trustees, and the Community College of Baltimore County, which received \$270,837,593, \$545,896, and \$58,237,616, in federal awards, respectively, which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2023. Our audit, described below, did not include the operations of the Baltimore County Public Schools, the Board of Library Trustees, and the Community College of Baltimore County because we were engaged separately to perform audits (when required) in accordance with the Uniform Guidance.

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.

Honorable County Executive
Members of County Council

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 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 2023-004, 2023-005, 2023-006, 2023-007, 2023-008, 2023-009, 2023-010, and 2023-011. Our opinion on each major federal program is not modified with respect to these matters.

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 significant deficiencies.

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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-004, 2023-005, 2023-006, 2023-007, 2023-008, 2023-009, and 2023-010, to be significant deficiencies.

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.

Honorable County Executive
Members of County Council

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to 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.

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 have issued our report thereon, dated April 30, 2024, 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 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 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
June 3, 2024

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed- Through to Subrecipients
Department of Agriculture				
<i>SNAP Cluster:</i>				
Supplemental Nutrition Assistance Program: Passed-Through Maryland Department of Human Resources	10.551	Title IV-A	\$ 672,098	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program: Passed-Through Maryland Department of Human Resources	10.561	BCODSS/FIA 23-006	120,048	-
Total SNAP Cluster			792,146	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children: Passed-Through Maryland Department of Health	10.557	WI175WIC	2,167,031	-
Passed-Through Maryland Department of Health		WIB41BPC	118,849	-
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children			2,285,880	-
Total Department of Agriculture			3,078,026	-
Department of Housing and Urban Development				
<i>CDBG Entitlement Grants Cluster:</i>				
Community Development Block Grants/Entitlement Grants	14.218	B-22-UC-24-0011	27,457,113	901,835
COVID-19-Community Development Block Grants/ Entitlement Grants		B-20-UW-24-0011	1,231,483	1,154,933
Total Community Development Block Grants/Entitlement Grants			28,688,596	2,056,768
Emergency Solutions Grant Program	14.231	E-22-UC-24-0011	398,250	384,732
COVID-19 - Emergency Solutions Grant Program		E-20-UC-24-0011	10,523	-
Emergency Housing Program COVID, DHCD Passed-Through Maryland Department Health Community Development			227,232	-
Total Emergency Solutions Grant Program			636,005	384,732
Supportive Housing Program	14.235	MD0121L3B052114	168,914	-
HOME Investment Partnership Program	14.239	M-21-UP-24-0201	31,183,720	-
Housing Opportunities for Persons with AIDS: Passed Through Baltimore City Housing and Community Development	14.241	MDH11-F001	1,689,588	-
Continuum of Care Program	14.267		1,150,713	942,877
Passed-Through Maryland Department of Health		MH295OTH & MH558OTH	897,232	897,232
Total Continuum of Care Program			2,047,945	1,840,109
<i>Housing Voucher Cluster:</i>				
Mainstream Vouchers	14.879		1,163,560	
Emergency Housing Voucher	14.EHV		840,128	
Section 8 Housing Choice Vouchers	14.871	MD033-V0011-048 & MD033VA0001	85,221,756	35,211
Total Housing Voucher Cluster			87,225,444	35,211
Family Self-Sufficiency Program	14.896	FSS20MD3399	268,796	-
Lead Hazard Reduction Demonstration Grant	14.905	MDLHD045020	228,775	-
Total Department of Housing and Urban Development			152,137,783	4,316,820
Department of the Interior				
Baltimore County Design Guidelines Update: Passed-Through Maryland Historical Trust	15.904		13,000	-
Total Department of the Interior			13,000	-
Department of Justice				
Crime Victim Assistance:	16.575			
Passed-Through Governor's Office of Crime Control and Prevention		VOCA-2022-0024	79,786	-
Passed-Through Governor's Office of Crime Control and Prevention		VOCA-2021-0001	5,979	-
Passed-Through Governor's Office of Crime Control and Prevention		VOCA-2022-0027	485,799	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed- Through to Subrecipients
Department of Justice (Continued)				
Crime Victim Assistance (continued):	16.575			
Passed-Through Governor's Office of Crime Control and Prevention		VOCA-2021-0060	214,123	53,250
Total Crime Victim Assistance			785,687	53,250
Violence Against Women Formula Grants:	16.588			
Passed-Through Governor's Office of Crime Control and Prevention		VAWA-2022-0004	\$ 33,753	\$ -
Passed-Through Governor's Office of Crime Control and Prevention		VOCA-2021-0001 & VOCA-2022-0024	18,088	-
Passed-Through Governor's Office of Crime Control and Prevention		VAWA-2022-0005 & VAWA-2021-0001	123,709	-
Total Violence Against Women Formula Grants			175,550	-
State Criminal Alien Assistance Program	16.606	None	320,345	-
National Sexual Assault KI Initiatives	16.833	2020-AK-BX-0014	310,700	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738		398,520	-
Department of Housing OFC - General Admin Passed-Through Governor's Office of Crime Control and Prevention		MD033-V0011-048	5,492	-
Total Edward Byrne Memorial Justice Assistance Grant Program		BJAG-2020-0036 & BJAG-2019-0021	151,947	-
			555,959	-
DNA Backlog Reduction Program	16.741	15PBJA-21-GG-03133-DNAX & 15PBJA-22-GG-01662-DNAX	52,209	-
Passed-Through Governor's Office of Crime Control and Prevention		2020-DN-BX-0011 & 2020-DN-BX-0124	69,234	-
Total DNA Backlog Reduction Program			121,443	-
Paul Coverdell Forensic Sciences Improvement Grant Program:	16.742			
Passed-Through Governor's Office of Crime Control and Prevention		CFSI-2020-0003	411	-
Total Paul Coverdell Forensic Sciences Improvement Grant Program			411	-
Public Safety Partnership and Community Policing Grants	16.710	2020ULWX0065	815,219	-
Passed-Through Governor's Office of Crime Control and Prevention		15JCOPS-21-GG-02461-SPPS & 15JCOPS-22-GG-04086-LEMH	10,513	-
Total Public Safety Partnership and Community Policing Grants			825,732	-
Equitable Sharing Program	16.922	DAG-71	139,377	-
Contract/Other	16.999	None		
Organized Crime Drug Enforcement Task Force Marijuana Eradication			213,714	-
HIDTA grants			1,106	-
Internal Revenue Service			46,875	-
Homeland Security			2,397	-
Total Contract/Other			2,356	-
			266,448	-
Total Department of Justice			3,501,652	53,250

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed- Through to Subrecipients
Department of Labor				
Senior Community Service Employment Program: Passed-Through Senior Service America, Inc.	17.235	Project MD 91	\$ 809,141	\$ -
<i>WIOA Cluster:</i>				
WIOA Adult Program:	17.258			
Passed-Through Maryland Department of Labor, Licensing, and Regulation		P26-BCO-FY22-A	386,958	-
Passed-Through Maryland Department of Labor, Licensing, and Regulation		P46-BCO-FY24-A & P46-BCO-PY23-A	155,576	-
Passed-Through Maryland Department of Labor, Licensing, and Regulation		P36-BCO-PY22-A & P36-BCO-FY23-A	1,203,336	-
Total WIOA Adult Program			<u>1,745,870</u>	<u>-</u>
WIOA Youth Activities:	17.259			
Passed-Through Maryland Department of Labor, Licensing, and Regulation		P26-BCO-PY21-Y & P36-BCO-PY22-Y & P46-BCO-PY23-Y	1,838,434	1,081,560
Total WIOA Youth Activities			<u>1,838,434</u>	<u>1,081,560</u>
WIOA Dislocated Worker Formula Grants:	17.278			
Passed-Through Maryland Department of Labor, Licensing, and Regulation		P36-BCO-PY22-D & P36-BCO-FY23-D	372,627	-
Passed-Through Maryland Department of Labor, Licensing, and Regulation		P26-BCO-PY21-D & P26-BCO-FY22-D	888,495	-
Total WIOA Dislocated Worker Formula Grants			<u>1,261,122</u>	<u>-</u>
Total WIOA Cluster			<u>4,845,426</u>	<u>1,081,560</u>
Reentry Employment Opportunities:	17.270			
Passed-Through Maryland Department of Labor, Licensing, and Regulation		P16-BC-FOR-Opioid	123,402	-
Total Department of Labor			<u>5,777,969</u>	<u>1,081,560</u>
Department of Transportation				
<i>FMCSA Cluster:</i>				
Motor Carrier Safety Assistance:	20.218			
Passed-Through State Highway Administration		None	12,625	-
Total FMCSA Cluster			<u>12,625</u>	<u>-</u>
<i>Federal Transit Cluster:</i>				
Unified Planning Work Program:	20.507			
Total Federal Transit Cluster			<u>1,663</u>	<u>-</u>
Formula Grants for Rural Areas and Tribal Transit Program:	20.509			
Passed-Through State Highway Administration		BC145311O2023 & BC14ARPA11O2022	175,291	-
Tribal Transit Program			<u>175,291</u>	<u>-</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed- Through to Subrecipients
Department of Transportation (Continued)				
<i>Highway Safety Cluster:</i>				
State and Community Highway Safety:	20.600			
Passed-Through Maryland Department of Transportation		2023-007, 2023-011	\$ 38,254	\$ -
Passed-Through Maryland Department of Transportation		2022-058	(158)	-
Impaired Highway Safety Program	20.616		56,889	
Total Highway Safety Cluster			<u>94,985</u>	<u>-</u>
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	693JK31940020HMEP	91,295	-
Total Department of Transportation			375,859	-
Department of the Treasury				
Equitable Sharing	21.016	CSA/CRA/23	459,966	-
COVID-19 - Coronavirus Relief Fund	21.019	B20UW2-40011 & E22UC2-40011	4,417,347	3,219,778
COVID-19 - Emergency Rental Assistance	21.023	None	11,315,304	9,210,268
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	CSA/CRA/23 & EMW-2017-SS-00019- UASI & EMW-2018-EP-00002-S01	23,147,947	3,243,822
Passed-Through Maryland Department of Health		ARP04SLI & None	239,292	-
Passed-Through Maryland Department of Labor, Licensing, and Regulation		FY 22 BCO-ARPA-PY21	2,422	-
Total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			<u>23,389,661</u>	<u>3,243,822</u>
Total Department of the Treasury			39,582,278	15,673,868
Environmental Protection Agency				
Drinking Water State Revolving Fund Cluster:	66.468			
Passed-Through Maryland Department of Environment		WC-1211 & WC-1204	31,664,647	-
Total Environmental Protection Agency			31,664,647	-
Department of Commerce				
Economic Development - Revolving Loan Fund	11.307		175,000	-
Passed-Through Maryland Department of Labor, Licensing, and Regulation		GJC-03-BCO	14,152	-
Total Department of Commerce			189,152	-
Department of Education				
Special Education-Grants for Infants and Families:	84.181			
Passed-Through Baltimore County Public Schools and Health Department		None provided	45,622	-
Total Department of Education			45,622	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed- Through to Subrecipients
Department of Health and Human Services				
Special Programs for the Aging, Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals:	93.042			
Passed-Through Maryland Department of Aging		655521/04	\$ 31,560	\$ -
Passed-Through Maryland Department of Aging		654820/04	25,753	-
Total Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals			57,313	-
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services:	93.043			
Passed-Through Maryland Department of Aging		AAA-3-24-004	90,777	-
Total Special Programs for the Aging, Title III, Part D Disease Prevention and Health Promotion Services			90,777	-
<i>Aging Cluster:</i>				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers:	93.044			
Passed-Through Maryland Department of Aging		AAA-3-24-004	2,404,359	61,500
Passed-Through Maryland Department of Aging		2101XXVAC5	93,877	
Passed-Through Maryland Department of Aging		2010MDSSC6-00	57,394	-
Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers			2,555,630	61,500
Special Programs for the Aging, Title III, Part C, Nutrition Services:	93.045			
Passed-Through Maryland Department of Aging		AAA-3-24-004	1,153,976	-
Passed-through Maryland Department of Aging		2101MDCMC6 & 2101MDHDC6-00	450,829	-
Total Special Programs for the Aging, Title III, Part C, Nutrition Services			1,604,805	-
Nutrition Services Incentive Program:	93.053			
Passed-Through Maryland Department of Aging		AAA-3-24-004	876,921	
Total Aging Cluster			5,037,356	61,500
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects:	93.048			
Passed-Through Maryland Department of Aging		90MPPG0001-04-00 & ST-6904	54,910	-
National Family Caregiver Support, Title III, Part E:	93.052			
Passed-Through Maryland Department of Aging		AAA-3-24-004	539,688	-
Passed-Through Maryland Department of Aging		2101MDFCC6-00 & 2001MDSSC3-00	46,978	3,000
Total National Family Caregiver Support, Title III, Part E			586,666	3,000
Public Health Emergency Preparedness:	93.069			
Passed-Through Maryland Department of Health		CH810PHP	556,248	-
Tuberculosis Control Programs:	93.116			
Passed-Through Maryland Department of Health		CH013TBF	332,495	-
Projects for Assistance in Transition from Homelessness (PATH)	93.150			
Passed-Through Maryland Department of Health		MH184OTH	58,150	58,150

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed- Through to Subrecipients
Department of Health and Human Services				
(Continued)				
Center for Disease Control Overdose Data to Action	93.136	NU7CE924982	\$ 2,373,859	\$ 202,308
Family Planning/Reproductive Health/Colposcopy	93.217			
Passed-Through Maryland Department of Health		FH220FPG	29,910	-
Passed-Through Maryland Department of Health			339	-
Surplus Funding Family Planning and Reproductive Health		PH002OAD		
Passed-Through Maryland Department of Health			<u>103,158</u>	<u>-</u>
Total Family Planning/Reproductive Health/Colposcopy			133,407	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance:	93.243			
Passed-Through Maryland Department of Health		BH001STC	28,193	28,193
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			28,193	28,193
Immunization Cooperative Agreements:	93.268			
Passed-Through Maryland Department of Health		CH359IMM	83,050	-
Passed-Through Maryland Department of Health		VC504COV	580,645	-
COVID-19 - Immunization Cooperative Agreements:				
Passed-Through Maryland Department of Health		MV603COV	305,772	100
Total COVID-19 - Immunization Cooperative Agreements			<u>305,772</u>	<u>100</u>
Total Immunization Cooperative Agreements			969,467	100
Protecting and Improving Health Globally: Building and Strengthening Public Health Impact, Systems	93.318			
Passed-Through Maryland Department of Health		ELC02CHW	10,139	-
Total Protecting and Improving Health Globally: Building and Strengthening Public Health Impact, Systems			10,139	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC):	93.323			
Passed-Through Maryland Department of Health		ID928EDE	1,684,373	-
Passed-Through Maryland Department of Health		39613	185,238	-
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			1,869,611	-
State Health Insurance Assistance Program:	93.324			
Passed-Through Maryland Department of Aging		90SAPG0109-04-00	93,684	-
Total State Health Insurance Assistance Program			93,684	-
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response:	93.354			
Passed-Through Maryland Department of Health		PH004CRW	1,104,637	499,952
Total COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			1,104,637	499,952
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391			
Passed-Through Maryland Department of Health		CDC03HRU	41,367	-
Self Management of Chronic Diseases:	93.421			
Passed-Through Maryland Department of Health		BLF01SCP	10,155	-
Temporary Assistance for Needy Families:	93.558			
Temporary Assistance for Needy Families				
Passed-Through Maryland Department of Labor, Licensing, and Regulation		BCODSS/FIA22-001	1,267,852	3,775
Total Temporary Assistance for Needy Families			<u>1,267,852</u>	<u>3,775</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed- Through to Subrecipients
Department of Health and Human Services				
(Continued)				
Child Support Enforcement:	93.563			
Passed-Through Maryland Department of Human Resources		CSA/BA-CO/23-001	\$ 81,391	\$ 4,497
Passed-Through Maryland Department of Human Resources		CSA/CRA/23	<u>52,216</u>	<u>7,637</u>
Total Child Support Enforcement			133,607	12,134
Low-Income Home Energy Assistance:	93.568			
Passed-Through Maryland Department of Human Resources		BCADSS/FIA23-003 & IF140	1,407,866	49,946
Community-Based Child Abuse Prevention Grants:	93.590			
Passed-Through Maryland Family Network, Inc.		2102MDBCAP	106,228	13,583
Foster Care Title IV-E:	93.658			
Passed-Through Maryland Department of Human Resources		Title IV-E	813,536	-
WIOA Youth Activities:	93.674			
Passed-Through Baltimore County Department of Social Services		BCoDSS/FIA 19-002	39,697	
Children's Health Insurance Program:	93.767			
Passed-Through Maryland Department of Human Resources		CHIP	17,411	-
Passed-Through Maryland Department of Health		MA008EPS	3,210	-
Passed-Through Maryland Department of Health		MA283ACM	16,305	1,352
Passed-Through Maryland Department of Health		CHC80ECM	<u>240,074</u>	<u>124,214</u>
Total Children's Health Insurance Program			277,000	125,566
<i>Medicaid Cluster:</i>				
Medical Assistance Program:	93.778			
Passed-Through Maryland Department of Human Resources		Title XIX	152,800	-
Passed-Through Maryland Department of Human Resources		Title XIX3	<u>95,576</u>	<u>-</u>
Total Medicaid Cluster			248,376	-
Opioid STR:	93.788			
Passed-Through Maryland Department of Health		AD784AHR	596,575	-
Passed-Through Maryland Department of Health		BH249SOR	<u>101,818</u>	<u>-</u>
Total Opioid STR			698,393	-
Maternal, Infant and Early Childhood Home Visiting Grant:	93.870			
Passed-Through Maryland Department of Health		FHD32MIC & ARP27HVF	530,849	369,000
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations:	93.898			
Passed-Through Maryland Department of Health		FH426CBC	165,010	23,881
HIV Emergency Relief Project Grants:	93.914			
Passed-Through Associated Black Charities		23-2407/H8900017	<u>216,925</u>	<u>1,432</u>
Total HIV Emergency Relief Project Grants			216,925	1,432

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed- Through to Subrecipients
Department of Health and Human Services				
(Continued)				
HIV Care Formula Grants:	93.917			
Passed-Through Maryland Department of Health		AD668CMA	\$ 396,836	\$ 6,609
HIV Prevention Activities Health Department Based:	93.940			
Passed-Through Maryland Department of Health		AD350PRV & AD713HCV	112,806	-
Block Grants for Community Mental Health Services:	93.958			
Passed-Through Maryland Department of Health		BH002MAR	43,426	43,426
Passed-Through Maryland Department of Health		MH222OTH	321,310	308,729
Total Block Grants for Community Mental Health Services			<u>364,736</u>	<u>352,155</u>
Block Grants for Prevention and Treatment of Substance Abuse:	93.959			
Passed-Through Maryland Department of Health		AD686INT	102,782	-
Passed-Through Maryland Department of Health		BH002SAR	226,286	-
Passed-Through Maryland Department of Health		MU003OMP	92,941	10,059
Passed-Through Maryland Department of Health		MU510ADP	401,528	27,592
Passed-Through Maryland Department of Health		MU004OFR & MU623COV	184,485	178,739
Passed-Through Maryland Department of Health		AS216FED	213,472	213,472
Total Block Grants for Prevention and Treatment of Substance Abuse			<u>1,221,494</u>	<u>429,862</u>
Sexually Transmitted Diseases (STD) Prevention and Control Grants:	93.977			
Passed-Through Maryland Department of Health		CH662STD	572,239	64,181
Maternal and Child Health Services Block Grant to the States	93.994			
Passed-Through Maryland Department of Health		CH554CFT	621,974	-
Passed-Through Maryland Department of Health		FH572CHC	43,697	-
Passed-Through Maryland Department of Health		FH609CHI	621,974	-
Total Maternal and Child Health Services Block Grant to the States			<u>1,287,645</u>	<u>-</u>
Total Department of Health and Human Services			<u>23,269,529</u>	<u>2,305,327</u>
U.S. Food and Drug Administration (FDA)				
Retail Flexible Funding Model	93.103	U2FFD007358	<u>8,156</u>	<u>-</u>
Total Corporation for U.S. Food and Drug Administration (FDA)			8,156	-
Corporation for National and Community Service				
Retired and Senior Volunteer Program	94.002	21SRBMD002	<u>121,053</u>	<u>477</u>
Total Corporation for National and Community Service			121,053	477
U.S. Department of Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters):	97.036			
Passed-Through Maryland Emergency Management Agency			644,397	-
Emergency Management Performance Grants:	97.042			
Passed-Through Maryland Emergency Management Agency		EMP-2021-EP-00006-S01	820	-
COVID-19 - Emergency Management Performance Grants:				
Passed-Through Maryland Emergency Management Agency		EMW-2018-EP-00002-S01	<u>355,324</u>	<u>22,634</u>
Total Emergency Management Performance Grants			356,144	22,634

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed- Through to Subrecipients
U.S. Department of Homeland Security (Continued)				
Post Security Grant	97.056	EMW-2022-PU-00075	\$ 35,950	\$ -
Homeland Security Grant Program:	97.067			
Passed-Through Maryland Emergency Management Agency		EMW-2017-SS-00019-UASI	165,223	1,351
Passed-Through Maryland Emergency Management Agency		EMW-2019-SS-00064 & EMW-2019-SS- 00064 SHSP	347,646	832
Total Homeland Security Grant Program			<u>512,869</u>	<u>2,183</u>
Staffing for Adequate Fire and Emergency Response (SAFER):	97.083			
Passed-Through Maryland Emergency Management Agency		EMW-2018-FH-00417	<u>1,506,317</u>	<u>-</u>
Total Department of Homeland Security			<u>3,055,677</u>	<u>24,817</u>
Total Expenditures of Federal Awards			<u>\$ 262,820,403</u>	<u>\$ 23,456,119</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Baltimore County, Maryland (the County), excluding those programs of the Board of Library Trustees of Baltimore County, Baltimore County Public Schools, and the Community College of Baltimore County. The County reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other state and local governmental agencies and nonprofit organizations are included in the accompanying Schedule. The accompanying Schedule is presented using the modified accrual basis of accounting as described in Note 1 to the County's basic financial statements. The information in this Schedule is presented in accordance with the 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), with the exception of Assistance Listing Number (ALN) 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Also, some expenditure amounts are negative due to adjustments made to prior year grants.

NOTE 2 WIC PROGRAM

The Department of Agriculture - Maryland State Health Department Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (Assistance Listing number 10.557) is a state of Maryland administered program that uses local governments to assist in screening participant eligibility and distributing food commodity vouchers. Distributed food vouchers are issued, controlled, collected, valued, audited, and canceled by the state of Maryland. Through confirmation with the state of Maryland, the value of WIC vouchers redeemed by Maryland residents living in the County totaled \$14,228,596 for the fiscal year ended June 30, 2023. This amount is not included in the accompanying Schedule.

NOTE 3 LOAN PROGRAMS

The County administers loans under the Community Development Block Grant and HOME Investment Partnership Program (Assistance Listing numbers 14.218 and 14.239, respectively) with continuing compliance requirements. The outstanding balances of the loans at June 30, 2023 were \$27,616,306 for Community Development Block Grant and \$24,066,538 for HOME Investment Partnership Program. As required under the Uniform Guidance, the loan balance at the beginning of the year are presented in the Schedule for these programs.

The County administers loans under the Emergency Efficiency and Conservation Block Grant (Assistance Listing number 81.128) without continuing compliance requirements and, therefore, is not presented in the Schedule. The outstanding balance of the loans at June 30, 2023, were \$55,697. There were no new loans expended under this program during the fiscal year.

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

NOTE 4 MEDICAL ASSISTANCE PROGRAM (MEDICAID TITLE XIX)

Maryland's Department of Health and Mental Hygiene-Medical Assistance Program (Medicaid; Title XIX; Assistance Listing number 93.778) is a state administered program that utilizes local governments to provide patient care services to Medicaid eligible individuals. The federal compliance related to these expenditures is the responsibility of the Maryland Department of Health and Mental Hygiene. The value of the patient care services to the eligible individuals living in the County totaled \$7,828,424 for the fiscal year ended June 30, 2023. This amount is not included in the accompanying Schedule.

NOTE 5 INDIRECT COST RATE

The County has elected to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

**BALTIMORE COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
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? x yes no
 - Significant deficiency(ies) identified? x yes none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal 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: See below
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

Assistance Listing Number(s)	Name of Federal Program or Cluster	Opinion
14.218	CDBG Entitlement Grants Cluster	Unmodified
14.HCV	Housing Choice Voucher	Unmodified
21.027	COVID-19-Coronavirus State and Local Fiscal Recovery Funds	Unmodified
21.023	COVID-19-Emergency Rental Assistance	Unmodified
66.468, 66.483	Drinking Water State Revolving Cluster	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee? yes x no

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

Section II – Financial Statement Findings

Finding 2023-001: Cash

Types of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition

During the year, we noted the following:

- Bank reconciliations were not performed and reviewed timely;
- Year-end reconciliations contained immaterial unreconciled amounts;
- The County had several deposits, in which Accounting was unsure which department it belongs to and therefore where to record the revenue. These deposits are sitting in the account “unidentified cash deposits”, which is an offsetting cash account.
- An account “Claim on Cash” was created to move cash between funds, however this account did not net to \$0 as of June 30, 2023.

Criteria

COSO/Internal Control Framework requires adequate controls over the bank reconciliations process to ensure the proper recording of cash.

Cause

Management’s allocation of resources to the bank reconciliation process was inadequate to ensure that individuals prepared bank reconciliation in a timely manner and made the necessary adjustments to the financial records.

Effect

Performing timely bank reconciliations reduces the risk that errors will go undetected and/or uncorrected. Unreconciled differences that appear immaterial can obscure significant but offsetting items (such as bank errors of improperly recorded transactions) that would cause for investigation if the items were apparent. If differences are not reconciled on a monthly basis, over time, they can build up to a significant amount that will be difficult to reconcile. All items should be investigated and corrected in that period.

Revenue is not being timely recorded when cash deposits are received. This could cause revenue to be recognized in the incorrect fiscal year.

Recommendation

We recommend that bank reconciliations be reviewed for accuracy and completeness on a timely basis and all bank reconciliations be signed and dated by the employees preparing and reviewing them. In addition, we recommend management review and enhance procedures to ensure cash deposits are identified and properly recorded on a timely basis.

View of Responsible Officials:

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

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

Section II – Financial Statement Findings (Continued)

Finding 2023-002: Manual Recordkeeping of Financial Related Items

Types of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition

We noted the following financial related items are being tracked and recorded manually through excel or access databases. These accounts are also not recorded in the financial system:

- Loans
- Security Deposits
- Leases

We noted these schedules are not reconciled timely and were incomplete/inaccurate which resulted in misstatements for financial reporting.

Criteria

COSO/Internal Control Framework defines control activities as “policies and procedures that help ensure management’s directives are carried out.” Managements review of controls is defined as, “the activities of a person, different than the preparer, through analyzing and performing oversight of activities performed, and is an integral part of any internal control structure.”

Cause

Management’s allocation of resources was inadequate to ensure that individuals prepare, maintain and reconcile these schedules.

Effect

Corrections were required to be made to the financial statements to properly present the loan balance as of June 30, 2023. Failure to accurately track and reconcile these balances to underlying support, could lead to additional corrections to the financial statements.

Recommendation

We recommend the County invest in additional resources and software to assist in accurately tracking outstanding loans, security deposits and leases for accurate financial reporting.

Views of Responsible Officials:

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

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

Section II – Financial Statement Findings (Continued)

Finding 2023-003: System Implementation

Types of Finding: Material Weakness in Internal Control over Financial Reporting

Condition

During the current year, the County implemented several new systems for financial reporting. Due to these implementations, there were several audit adjustments and passed adjustments related to the financial information not reconciling. These adjustments along with items noted in finding 2023-002 above, resulted in challenges in preparing and a delay in the issuance of the Annual Comprehensive Financial Report. Adjustments to the financial statements included the following:

- \$17.4M adjustment made to adjust property tax balance to the supporting detail
- \$31.3M adjustment to reverse accounts receivable entry made during the conversion

Criteria

The Internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure that transactions are properly recorded and account for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Cause

The County implemented several new systems for financial reporting and did not allocate the proper resources to ensure these implementations were successful.

Effect

Ineffective controls over financial reporting process could result in inaccurate account balances that require audit adjustments or a lack of timely financial information.

Recommendation

We recommend the County allocate additional resources to assist in new system implementation as well as financial statement preparation to ensure proper financial reporting.

Views of Responsible Officials:

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

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

Section III – Findings and Questioned Costs – Major Federal Programs

Reference Number: 2023-004
Federal Agency: U.S. Department of Treasury
Federal Program: COVID-19-Emergency Rental Assistance
Assistance Listing Number: 21.023
Award Number and Year: 2021
Compliance Requirement: Reporting
Type of Finding: Significant Deficiency in Internal Controls over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: Quarterly reports are required to be submitted in accordance with Treasury guidance beginning in the first quarter of 2021 through September of 2022 for ERA1 and through September of 2025 for ERA 2. The quarterly reports are required to be submitted by the 15th of the following month.

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 the 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:

For 2 of the 5 reports tested, we were unable to verify key line items were submitted. Also, 1 of the 5 quarterly reports tested were not submitted timely.

Cause:

The County did not have adequate controls to ensure supporting documentation was retained for all reports submitted. Also, the County did not have adequate procedures in place to ensure the timeliness of the submissions.

Effect:

The County was not in compliance with the reporting requirements.

Questioned Costs:

None

Recommendation:

We recommend that management review their policies and make revisions where necessary to ensure that documentation is maintained to support amounts reported by the County in their quarterly grant reporting. We also recommend that management review their policies and procedures and make changes necessary to ensure reports are filed timely.

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

Views of Responsible Officials:

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

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

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2023-005
Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: CDBG Entitlement Grant Cluster
Assistance Listing Number: 14.218
Award Number and Period: B-22-UC-24-0011, B-20-UW-24-0011
Compliance Requirement: Allowable Costs/Cost Principles
Type of Finding: Significant Deficiency in Internal Controls over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance - 2 CFR Section 200.430 (8)(i) Standards for Documentation of Personnel Expenses states that: Charge to Federal awards for salaries and wages must be based on records that accurately reflect work performed. These records must:

- (i) Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities;
- (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (v) Comply with the established accounting policies and practices of the non-Federal entity;
- (vi) Support the distribution of the employee's salary and wages among specific activities or cost objectives if the employee works on more than one federal award; a federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Control - Per 2 CDF 200.303(a), a non-Federal entity must: Establish a 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 statues, regulations, and the terms and conditions of the federal awards. 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:

Time and Effort Certifications were not documented in accordance with federal requirements. The County was unable to provide adequate support to validate actual payroll expenses charged to the federal program for 1 of 40 time and effort certifications tested.

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

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Cause:

The County did not have adequate controls to ensure that time and effort reporting was performed in accordance with federal requirements.

Effect:

There is an increased risk of charging unallowed payroll costs to the program.

Questioned Costs:

\$1,260

Recommendation:

The County should reevaluate its current process, implement proper controls, and perform additional training over time and effort reporting. The County should not seek federal reimbursement unless it can substantiate that the time and effort was dedicated to the federal program.

Views of Responsible Officials:

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

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

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2023-006
Federal Agency: U.S. Department of Treasury
Federal Program: COVID-19-Emergency Rental Assistance
Assistance Listing Number: 21.023
Award Number and Year: 2021
Compliance Requirement: Allowable Costs/Cost Principles
Type of Finding: Significant Deficiency in Internal Controls over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance - 2 CFR Section 200.430 (8)(i) Standards for Documentation of Personnel Expenses states that: Charge to Federal awards for salaries and wages must be based on records that accurately reflect work performed. These records must:

- I. Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- II. Be incorporated into the official records of the non-Federal entity;
- III. Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities;
- IV. Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- V. Comply with the established accounting policies and practices of the non-Federal entity;
- VI. Support the distribution of the employee's salary and wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Control - Per 2 CDF 200.303(a), a non-Federal entity must: Establish a 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 statues, regulations, and the terms and conditions of the federal awards. 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:

Time and Effort Certifications were not documented in accordance with federal requirements. The County was unable to provide adequate support to validate actual payroll expenses charged to the federal program for 7 of 60 time and effort certifications tested.

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

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Cause:

The County did not have adequate controls to ensure that time and effort reporting was performed in accordance with federal requirements.

Effect:

There is an increased risk of charging unallowed payroll costs to the program.

Questioned Costs:

\$11,045

Recommendation:

The County should reevaluate its current process, implement proper controls, and perform additional training over time and effort reporting. The County should not seek federal reimbursement unless it can substantiate that the time and effort was dedicated to the federal program.

Views of Responsible Officials:

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

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

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2023-007
Federal Agency: U.S. Department of Treasury
Federal Program: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Assistance Listing Number: 21.027
Award Number and Year: 2021
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Significant Deficiency in Internal Controls over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance - 2 CFR Section 200.332 – Requirements for Pass-Through Entities states in part, that all pass-through entities must:

- (a) Verify that every subrecipient is audited as required by Subpart F – Audit Requirements of this part when it is expected that the subrecipient's Federal award expended during the respective fiscal year equaled or exceeded the threshold set forth in section 200.501 Audit requirements.

Control - Per 2 CDF 200.303(a), a non-Federal entity must: Establish a 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 statues, regulations, and the terms and conditions of the federal awards. 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 was not able to provide documentation to show it ensured its subrecipients were audited as required by 2 CFR Part 200 Subpart F – Audit Requirements (Subpart F).

Context:

Exceptions were noted for 8 of 8 subrecipients selected for testing:

- The County was unable to provide support that it ensured the subrecipient was audited as required by Subpart F. The County could not produce evidence of verification that the subrecipient's Federal awards expended during the fiscal year were below the threshold set forth in section 200.501 Audit Requirements.

Cause:

The County did not establish effective internal controls and procedures over subrecipient monitoring.

Effect:

Without ensuring subrecipients have obtained audits as required by Subpart F, there is an increased risk that subrecipients could be inappropriately spending and/or inaccurately tracking and reporting federal funds over multiple years, and these discrepancies may not be properly monitored, detected, and corrected by the County personnel on a timely basis.

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

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Questioned Costs:

Undetermined.

Recommendation:

The County should review and enhance internal controls and procedures to ensure that evaluation of independent audits is performed.

Views of Responsible Officials:

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

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

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2023-008
Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: Housing Voucher Cluster
Assistance Listing Number: 14.871 and 14.879
Award Number and Year: MD033, 2023
Compliance Requirement: Special Test – Top of the Waiting List
Type of Finding: Significant Deficiency in Internal Controls over Compliance, Other Matters

Criteria or Specific Requirement:

The Public Housing Authority (PHA) must have written policies in its HCVP administrative plan for selecting applicants from the waiting list and PHA documentation must show that the PHA follows these policies when selecting applicants for admission from the waiting list. Except as provided in 24 CFR section 982.203 Special admission (non-waiting list), all families admitted to the program must be selected from the waiting list. "Selection" from the waiting list generally occurs when the PHA notifies a family whose name reaches the top of the waiting list to come in to verify eligibility for admission (24 CFR sections 5.410, 982.54(d), and 982.01 through 982.207).

Condition:

We were unable to perform testing as there were no individuals pulled from the waitlist during FY 2023.

Cause:

Due to staffing shortfalls, the County did not pull any individuals from the waitlist.

Effect:

We were unable to determine if the County was in compliance with the Top of the Waiting List requirement.

Questioned Costs:

Undetermined.

Recommendation:

We recommend the County maintain a list of all individuals at the top of the waiting list.

Views of Responsible Officials:

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

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

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2023-009
Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: Housing Voucher Cluster
Assistance Listing Number: 14.871 and 14.879
Award Number and Year: MD033, 2023
Compliance Requirement: Special Test – Reasonable Rent Changes
Type of Finding: Significant Deficiency in Internal Controls over Compliance, Other Matters

Criteria or Specific Requirement:

The PHA's administrative plan must state the method used by the PHA to determine that the rent to owner is reasonable in comparison to rent for other comparable unassisted units. The PHA determination must consider unit attributes, such as the location, quality, size, unit type, and age of the unit, and any amenities, housing services, maintenance, and utilities provided by the owner.

The PHA must determine that the rent to owner is reasonable at the time of initial leasing. Also, the PHA must determine reasonable rent during the term of the contract (a) before any increase in the rent to owner, and (b) at the HAP contract anniversary if there is a 5 percent decrease in the published Fair Market Rent in effect 60 days before the HAP contract anniversary. The PHA must maintain records to document the basis for the determination that rent to owner is reasonable rent (initially and during the term of the HAP contract) (2 CFR sections 982.4, 982.54(d)(15), 982.158(f)(7), and 982.507).

Condition:

The County was unable to provide a listing of tenants with rent increases during the FY 2023 to determine the reasonableness of rent changes.

Cause:

The County's software vendor was unable to provide a report to show tenants with rent increases during FY 2023.

Effect:

We were unable to determine if the County was in compliance with the reasonable rent change requirement.

Questioned Costs:

Undetermined.

Recommendation:

We recommend the County keep records to show all tenant who had a rent increase during the year.

Views of Responsible Officials:

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

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

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number:	2023-010
Federal Agency:	U.S. Department of Housing and Urban Development
Federal Program:	CDBG Entitlement Grant Cluster
Assistance Listing Number:	14.218
Award Number and Period:	B-22-UC-24-0011, B-20-UW-24-0011
Compliance Requirement:	Reporting
Type of Finding:	Significant Deficiency in Internal Controls over Compliance, Other Matters

Criteria or Specific Requirement:

24 CFR Part 75, requires that grantees enter their Section 3 activities on the closeout screens in IDIS as well as within their annual reporting in the Consolidated Annual Performance and Evaluation Report (CAPER). Beginning in July 2021, grantees reporting in Disaster Recovery Grant Reporting system (DRGR) shall identify those activities that are subject to Section 3 requirements in the applicable DRGR action plan. DRGR is the management information system primarily used by CDBG-DR, CDBG-MIT, NSP, and RHP grantees to access grant funds and report performance accomplishments for grant-funded activities. The grantee must enter Section 3 accomplishments in the performance report as progress is made towards the Section 3 benchmarks.

A grantee's CAPER, submitted through the IDIS e-Con Planning Suite, is due 90 days after the close of a jurisdiction's program year.

Condition:

The FY2022 CAPER report was due by September 29, 2023, but was submitted on December 29, 2023.

Cause:

The County does not have effective controls in place to ensure reports are submitted timely.

Effect:

The County is not in compliance with the program's reporting requirements which could impact the Federal agencies ability to monitor the program.

Recommendation:

We recommend the County review and enhance their procedures to ensure that all required reports are submitted accurately and timely.

Views of Responsible Officials:

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