

Howard County, Maryland

**Annual Financial Report
(Single Audit)**

June 30, 2014

Howard County, Maryland

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Independent Auditor's Report on Compliance for Each Major Federal Program and on
Internal Control over Compliance Required by OMB Circular A-133

The Honorable Members of the County Council
Howard County, Maryland

Report on Compliance for Each Major Federal Program

We have audited Howard County, Maryland's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Howard County, Maryland's major federal programs for the year ended June 30, 2014. Howard County, Maryland's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Howard County, Maryland's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Howard County, Maryland's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Howard County, Maryland's compliance.

Opinion on Each Major Federal Program

In our opinion, Howard County, Maryland complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of Howard County, Maryland is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Howard County, Maryland's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Howard County, Maryland's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 our testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Schedule of Expenditures of Federal Awards

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 Howard County, Maryland, as of and for the year ended June 30, 2014, and have issued our report thereon dated November 24, 2014, which contained unmodified opinions on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Howard County, Maryland's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Howard County, Maryland's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Howard County Maryland's response and, accordingly, we express no opinion on the response.

This report is intended for the information and use of Howard County's management, the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Cohn Reznick LLP". The signature is written in a cursive, flowing style.

Baltimore, Maryland
March 23, 2015

Howard County, Maryland

Schedule of Expenditures of Federal Awards June 30, 2014

Federal Program	Federal Catalog Number	Contract/Grant ID Number	Non-ARRA Expenditures	ARRA Expenditures	Total Expenditures
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION					
Fair Employment Practices Agency Contracts	30.002	EECN130025	\$ 16,350	\$ -	\$ 16,350
Total Equal Employment Opportunity Commission			16,350	-	16,350
U.S. DEPT OF DEFENSE, OFFICE OF ECONOMIC ADJUSTMENT					
Pass-through Anne Arundel County, Maryland					
Grant to Support Growth at Fort Meade FY13	12.607	10000000000000000577	248,232	-	248,232
Grant to Support Growth at Fort Meade FY14	12.607	10000000000000000662	28,730	-	28,730
Total U.S. Dept of Defense, Office of Economic Adjustment			276,962	-	276,962
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES					
Pass through Maryland Department of Aging					
Cluster 93.044 / 93.045 / 93.053					
Title III, Part B Supportive Services and Senior Centers	93.044	10000000000000000441	48,753	-	48,753
Title III, Part B Supportive Services and Senior Centers	93.044	10000000000000000505	26,354	-	26,354
Title III, Part B Supportive Services and Senior Centers	93.044	10000000000000000512	149,225	-	149,225
Older Americans Act Title III, Part C-1 FFY13	93.045	10000000000000000430	9,812	-	9,812
Older Americans Act Title III, Part C-2 FFY13	93.045	10000000000000000431	31,355	-	31,355
Older Americans Act Title III, Part C-1 FFY14	93.045	10000000000000000506	39,084	-	39,084
Older Americans Act Title III, Part C-2 FFY14	93.045	10000000000000000507	91,833	-	91,833
Older Americans Act Title III, Part C-1 FFY14	93.045	10000000000000000557	169,120	-	169,120
Nutrition Services Incentive Program (NSIP) FFY13	93.053	10000000000000000488	17,233	-	17,233
Nutrition Service Incentive Program (NSIP) FFY14	93.053	10000000000000000579	30,040	-	30,040
Total Cluster 93.044 / 93.045/ 93.053			612,809	-	612,809
Title VII Elder Abuse FFY14	93.041	10000000000000000664	4,471	-	4,471
Title VII Ombudsman Services FFY13	93.042	10000000000000000438	4,339	-	4,339
Title VII Ombudsman Services FFY14	93.042	10000000000000000504	13,226	-	13,226
Older Americans Act Title III, Part D FFY13	93.043	10000000000000000428	1,062	-	1,062
Older Americans Act Title III, Part D FFY14	93.043	10000000000000000556	13,336	-	13,336
Title III, Part E Caregiver Support FFY13	93.052	10000000000000000440	6,839	-	6,839
Title III, Part E Caregiver Support FFY14	93.052	10000000000000000511	56,873	-	56,873
Medicare Improvements for Patients and Providers	93.071	10000000000000000437	6,581	-	6,581
Senior Medicare Patrol - Health Care Fraud Program	93.779	10000000000000000433	2,202	-	2,202
Senior Medicare Patrol Continuation FY14	93.779	10000000000000000508	3,149	-	3,149
Senior Medicare Patrol - Health Care Fraud Program	93.779	10000000000000000509	2,560	-	2,560
State Health Insurance Assistance Program	93.779	10000000000000000510	21,437	-	21,437
Money Follows the Person - Maryland Access Point	93.779	10000000000000000513	96,810	-	96,810
Pass-through Maryland Department of Human Resources					
Working for Independence, Success and Healthy Families	93.558	10000000000000000568	91,948	-	91,948
Interagency Family Preservation Services (IFPS) FY14	93.558	10000000000000000656	278,459	-	278,459
Work on Wheels FY14	93.558	10000000000000000546	197,399	-	197,399
Pass through Maryland Child Support Enforcement					
Contract Services Administration					
Child Enforcement FFY13	93.563	10000000000000000403	20,313	-	20,313
Child Enforcement FFY14	93.563	10000000000000000558	98,104	-	98,104
Pass through Maryland Institute for Emergency Medical Services Systems					
MIEMSS Patient Tracking	93.889	10000000000000000652	8,000	-	8,000
Pass through Maryland Family Network, Inc.					
Child Care Resource Professional Development FY14	93.575	10000000000000000514	54,337	-	54,337
Child Care Resource Infants & Toddlers FY14	93.575	10000000000000000515	49,275	-	49,275
Total U.S. Department of Health & Human Services			1,643,529	-	1,643,529

Howard County, Maryland

Schedule of Expenditures of Federal Awards June 30, 2014

Federal Program	Federal Catalog Number	Contract/Grant Number	Non-ARRA Expenditures	ARRA Expenditures	Total Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY					
Pass-through Maryland Emergency Management Agency					
2010 Urban Area Security Initiative (UASI)	97.008	10000000000000000386	20,889	-	20,889
2011 Urban Area Security Initiative (UASI)	97.008	10000000000000000460	766,734	-	766,734
2012 Urban Area Security Initiative (UASI)	97.008	10000000000000000502	345,237	-	345,237
2013 Urban Area Security Initiative (UASI)	97.008	10000000000000000538	104,433	-	104,433
FEMA - 4091 Hurricane Sandy	97.036		74,199	-	74,199
FEMA - 4170 Snow Storm	97.036		377,599	-	377,599
2012 Emergency Management Performance Grant	97.042	10000000000000000459	83,481	-	83,481
2013 Emergency Management Performance Grant	97.042	10000000000000000540	84,828	-	84,828
2014 Emergency Management Performance Grant	97.042	10000000000000000599	631	-	631
2014 Assistance to Firefighters Grant	97.044	10000000000000000566	544,060	-	544,060
2013 State Homeland Security Program	97.067	10000000000000000539	6,289	-	6,289
2011 State Homeland Security Program	97.073	10000000000000000461	196,986	-	196,986
2012 State Homeland Security Program	97.073	10000000000000000503	169,826	-	169,826
Total U.S. Department of Homeland Security			2,775,192	-	2,775,192
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Community Development Block Grant FFY11	14.218	10000000000000000374	345,900	-	345,900
Community Development Block Grant FFY12	14.218	10000000000000000400	246,991	-	246,991
Community Development Block Grant FFY13	14.218	10000000000000000520	815,193	-	815,193
Supportive Housing Program - McKinney II Chronic	14.235	10000000000000000414	7,476	-	7,476
Supportive Housing Program - McKinney IV	14.235	10000000000000000477	8,116	-	8,116
Supportive Housing Program - McKinney V	14.235	10000000000000000570	9,489	-	9,489
Home Investment Partnerships FFY13	14.239	10000000000000000521	264,376	-	264,376
Economic Development Initiative - Special Project FFY10	14.251	10000000000000000201	67,952	-	67,952
FY2012 Continuum of Care Program - McKinney I	14.267	10000000000000000413	253,369	-	253,369
FY2012 Continuum of Care Program - McKinney II	14.267	10000000000000000550	112,219	-	112,219
FY2012 Continuum of Care Program - McKinney III	14.267	10000000000000000571	46,343	-	46,343
FY2012 Continuum of Care Program - Bridges	14.267	10000000000000000574	44,541	-	44,541
Transitional Housing for Families					
FY2013 Continuum of Care Program - McKinney IV	14.267	10000000000000000552	2,856	-	2,856
FY2012 Continuum of Care Program - McKinney V	14.267	10000000000000000553	2,980	-	2,980
FY2013 Continuum of Care Program - Bridges	14.267	10000000000000000554	33,664	-	33,664
Transitional Housing for Families					
Pass through Maryland Department of Housing and Community Development					
Emergency Solutions FFY12	14.231	10000000000000000418	11,026	-	11,026
Emergency Solutions FFY11B	14.231	10000000000000000496	13,116	-	13,116
Emergency Solutions FFY13	14.231	10000000000000000555	4,930	-	4,930
Pass through Baltimore Metropolitan Council					
Project EmpowerTrans	14.703	10000000000000000569	13,520	-	13,520
Helping Ourselves Progress through Employment Initiative	14.703	10000000000000000658	9,819	-	9,819
Total U.S. Department of Housing and Urban Development			2,313,876	-	2,313,876

Howard County, Maryland

Schedule of Expenditures of Federal Awards June 30, 2014

Federal Program	Federal Catalog Number	Contract/Grant Number	Non-ARRA Expenditures	ARRA Expenditures	Total Expenditures
U.S. DEPARTMENT OF JUSTICE					
State Criminal Alien Assistance Program (SCAAP) FY10	16.606	10000000000000000301	252	-	252
State Criminal Alien Assistance Program (SCCAP) FY11	16.606	10000000000000000334	16,870	-	16,870
State Criminal Alien Assistance Program (SCAAP) FY13	16.606	10000000000000000563	48,001	-	48,001
Bulletproof Vest Partnership Program FY11	16.607	10000000000000000336	2,742	-	2,742
Justice Assistance Grant (JAG) Program FFY10	16.738	10000000000000000245	7,780	-	7,780
Justice Assistance Grant (JAG) Program FFY11	16.738	10000000000000000331	5,490	-	5,490
Justice Assistance Grant (JAG) Program FFY12	16.738	10000000000000000332	21,377	-	21,377
Justice Assistance Grant (JAG) Program FFY13	16.738	10000000000000000410	7,713	-	7,713
Asset Forfeiture/Equitable Sharing	16.922	10000000000000000042	280,570	-	280,570
Pass-through Governor's Office of Crime Control and Prevention					
Victim Service Liaison/Child Advocacy FFY13	16.575	10000000000000000405	6,517	-	6,517
Victim Assistance FFY13	16.575	10000000000000000406	11,198	-	11,198
Victim Service Liaison/Child Advocacy FFY14	16.575	10000000000000000519	27,006	-	27,006
Victim Assistance for Underserved Populations FFY14	16.575	10000000000000000559	44,835	-	44,835
Domestic Violence Legal Assistant FFY13	16.588	10000000000000000404	18,853	-	18,853
Domestic Violence Legal Assistant FFY14	16.588	10000000000000000518	37,447	-	37,447
Palm Print Comparison - LETS CY14	16.738	10000000000000000560	1,482	-	1,482
Pass-through National Council on Crime and Delinquency					
PREA Training and Compliance	16.735	10000000000000000576	29,359	-	29,359
Pass-through Maryland Children Alliance					
Maryland Children's Alliance CY13	16.758	10000000000000000548	8,536	-	8,536
Maryland Children's Alliance CY14	16.758	10000000000000000586	2,348	-	2,348
Total U.S. Department of Justice			578,376	-	578,376
U.S. DEPARTMENT OF LABOR					
Pass-through Maryland Department of Labor, Licensing and Regulation					
Cluster 17.258 / 17.259 / 17.278					
WIA Adult PY12	17.258	10000000000000000446	53	-	53
CACO WIA Adult PY12	17.258	10000000000000000423	2,201	-	2,201
WIA Adult PY12-FY13	17.258	10000000000000000421	98,439	-	98,439
CACO WIA Adult PY12-FY13	17.258	10000000000000000426	176,572	-	176,572
WIA Adult PY13	17.258	10000000000000000525	6,105	-	6,105
CACO WIA Adult PY13	17.258	10000000000000000526	6,105	-	6,105
WIA Adult FY14	17.258	10000000000000000532	116,894	-	116,894
CACO WIA Adult FY14	17.258	10000000000000000533	2,793	-	2,793
WIA Youth PY12	17.259	10000000000000000447	106,663	-	106,663
CACO WIA Youth PY12	17.259	10000000000000000424	198,338	-	198,338
WIA Youth PY13	17.259	10000000000000000527	140,148	-	140,148
CACO WIA Youth PY13	17.259	10000000000000000528	1,982	-	1,982
WIA Dislocated Worker PY12	17.278	10000000000000000420	22,521	-	22,521
CACO WIA Dislocated Worker PY12	17.278	10000000000000000425	20,710	-	20,710
WIA Dislocated Worker PY12-FY13	17.278	10000000000000000422	186,536	-	186,536
CACO WIA Dislocated Worker PY12-FY13	17.278	10000000000000000427	418,445	-	418,445
WIA Dislocated Worker PY13	17.278	10000000000000000522	77,399	-	77,399
CACO WIA Dislocated Worker PY13	17.278	10000000000000000524	88,165	-	88,165
WIA Dislocated Worker FY14	17.278	10000000000000000529	492,037	-	492,037
CACO WIA Dislocated Worker FY14	17.278	10000000000000000531	323,261	-	323,261
Total Cluster 17.258 / 17.259 / 17.278			2,485,367	-	2,485,367
Total U.S. Department of Labor			2,485,367	-	2,485,367

Howard County, Maryland

Schedule of Expenditures of Federal Awards June 30, 2014

Federal Program	Federal Catalog Number	Contract/Grant Number	Non-ARRA Expenditures	ARRA Expenditures	Total Expenditures
U.S. DEPARTMENT OF TRANSPORTATION					
Pass-through Maryland Department of Transportation					
Cluster 20.500 / 20.507					
Capital Bus Purchase Federal FY08	20.500	10000000000000000166	27,986	-	27,986
Paratransit/Taxi Swipe Card/Electronic Hybrid Buses	20.500	10000000000000000497	435,100	-	435,100
Ridesharing/Community Assistance Program	20.507	10000000000000000547	128,749	-	128,749
Total Cluster 20.500 / 20.507			591,835	-	591,835
Bikeshare Feasibility Study FY13	20.205	10000000000000000649	18,946	-	18,946
Hybrid Vehicles and Bus Shelters FY13	20.509	10000000000000000501	46,408	-	46,408
Section 5311 Operating Assistance FY14	20.509	10000000000000000545	357,291	-	357,291
Pass-through Baltimore Metropolitan Council					
Unified Planning Work Program FY11	20.205	10000000000000000297	(2,142)	-	(2,142)
Unified Planning Work Program FY12	20.205	10000000000000000311	36,285	-	36,285
Unified Planning Work Program FY13	20.205	10000000000000000396	33,782	-	33,782
Unified Planning Work Program FY14	20.205	10000000000000000564	88,810	-	88,810
Unified Planning Work Program FY11	20.505	10000000000000000297	(693)	-	(693)
Unified Planning Work Program FY12	20.505	10000000000000000311	11,747	-	11,747
Unified Planning Work Program FY13	20.505	10000000000000000396	10,936	-	10,936
Unified Planning Work Program FY14	20.505	10000000000000000564	28,751	-	28,751
Pass-through Maryland Emergency Management Agency					
Hazardous Materials Emergency Preparedness (HMEP)	20.703	10000000000000000541	10,000	-	10,000
Hazardous Materials Emergency Preparedness (HMEP)	20.703	10000000000000000653	4,818	-	4,818
Pass-through State Highway Administration					
Maryland Department of Transportation					
Federal Highway Bridge Rehabilitation & Replacement	20.205	10000000000000000135	1,037,113	-	1,037,113
Broken Land Parkway Trail	20.205	10000000000000000578	201,243	-	201,243
Pass-through Maryland Highway Safety Office					
Regional Traffic Safety FFY13	20.600	10000000000000000448	41,859	-	41,859
Regional Traffic Safety FFY14	20.600	10000000000000000562	61,860	-	61,860
Total U.S. Department of Transportation			2,578,849	-	2,578,849
U.S. DEPARTMENT OF EDUCATION					
Pass-through Maryland Family Network Inc.					
Child Care Resource Race To Top FY14	84.412	10000000000000000516	33,750	-	33,750
Total U.S. Department of Energy			33,750	-	33,750
U.S. DEPARTMENT OF COMMERCE					
Pass-through Maryland Department of Information Technology					
Inter County Broadband Network	11.557	10000000000000000381	-	1,349,355	1,349,355
Total U.S. Department of Commerce			-	1,349,355	1,349,355
			\$ 12,702,251	\$ 1,349,355	\$ 14,051,606

Howard County, Maryland

Note to Schedule of Expenditures of Federal Awards June 30, 2014

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal grant activity of the Howard County, Maryland under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of the Howard County, Maryland, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Howard County, Maryland.

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Howard County, Maryland

Schedule of Findings and Questioned Costs
June 30, 2014

I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? Yes No

Howard County, Maryland

**Schedule of Findings and Questioned Costs
June 30, 2014**

Identification of Major Programs

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>	<u>Fiscal Year 6/30/2014 Expenditures</u>
U.S. Department of Commerce	11.557	<u>\$ 1,349,355</u>
U.S. Department of Housing and Urban Development	14.218	<u>\$ 1,408,084</u>
U.S. Department of Housing and Urban Development	14.267	<u>\$ 495,972</u>
	Cluster 17.258; 17.259;	
U.S. Department of Labor	17.278	<u>\$ 2,485,367</u>
U.S. Department of Transportation	20.205	<u>\$ 1,414,037</u>
	Cluster 20.500;	
U.S. Department of Transportation	20.507	<u>\$ 591,835</u>
	Cluster 93.044;	
U.S. Department of Health and Human Services	93.045; 93.053	<u>\$ 612,809</u>
U.S. Department of Health and Human Services	93.558	<u>\$ 567,806</u>
U.S. Department of Homeland Security	97.036	<u>\$ 451,798</u>
U.S. Department of Homeland Security	97.044	<u>\$ 544,060</u>
Dollar threshold used to distinguish between type A and type B programs		<u>\$ 421,548</u>

Auditee qualified as a low-risk auditee? Yes X No

Howard County, Maryland

Schedule of Findings and Questioned Costs
June 30, 2014

II. Financial Statement Findings

Material weaknesses

Finding No. 2014-001

Capital Assets

Condition

The June 30, 2014 financial statements of the County required material journal entries to properly reflect the capital assets.

Criteria

The County did not properly track and record capital assets.

Cause

There is a lack of sufficient controls in place to ensure capital assets are properly recorded.

Effect

The County's capital assets were materially misstated prior to the adjustments made.

Questioned Costs

There are no questioned costs.

Recommendations

The County should develop a process to track the status of capital projects, including identifying Finance Department personnel to meet with Project Managers on a quarterly basis to discuss project status, identify costs to be expensed, placed in service or remain in construction in progress, prepare reconciliations for every project and identify a Finance Department supervisor to review all quarterly reconciliations.

Views of Responsible Officials and Planned Corrective Actions

Management agrees with the recommendation and has created a Division of Capital Projects/Fixed Assets and hired a supervisor for the division to assist in managing the periodic reviews and reconciliations.

Howard County, Maryland

**Schedule of Findings and Questioned Costs
June 30, 2014**

III. Major Federal Award Findings and Questioned Costs

None

IV. Prior Audit Findings - Summary of Status

Finding No. 2013-1

Capital Assets

Condition

The June 30, 2013 financial statements of the County reflect prior period adjustments pertaining to Constructions in Progress ("CIP") in the Government-wide financial statements (Government Activities Fund, Business-type Activities Fund) and the Proprietary Fund Statements.

Criteria

The County identified projects that had been placed-in-service during a prior year but remained in CIP, joint venture projects in CIP that would not result in assets for the County, projects in CIP that were strictly repairs and maintenance related to a prior year, and donated assets that were not recorded.

Status

Cleared.