



Askey, Askey & Associates, CPA, LLC

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January 21, 2021

Ms. Melinda Bowling, Finance Director
Tri-County Council for Southern Maryland
P.O. Box 745
Hughesville, MD 20637

Dear Ms. Bowling,

Enclosed please find:

- 1) Fifteen bound copies and one unbound copy of financial statements for the **Tri-County Council for Southern Maryland** for the year ending June 30, 2020; and
- 2) A Communication With Those Charged With Governance letter.

Sincerely,

Christa Hood, CPA

Christa Hood, CPA

Enclosures



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Communication with Those Charged with Governance

December 22, 2020

To the Board of Directors and Management of
Tri-County Council for Southern Maryland
P.O. Box 745
Hughesville, MD 20637

We have audited the financial statements of Tri-County Council for Southern Maryland for the year ended June 30, 2020, and we have issued our report thereon dated December 22, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 6, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Tri-County Council for Southern Maryland are described in Note 1 to the financial statements. As also described in Note 1, the Organization changed accounting policies related to the Presentation of the Financial Statements by adopting FASB Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*, and FASB Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, in fiscal year 2020. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the functional allocation of expenses is based primarily on employee timesheets for payroll and fringe allocations. We evaluated the key factors and assumptions used to develop the allocations in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Grants Awarded in Note 9 to the financial statements. The grant was awarded to St. Mary's County by the SMADC Program in the amount of \$1,000,000 for the construction of a Regional Agriculture Center (RAC).

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached Adjusting Journal Entry report lists the adjustments that have been corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 22, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and Management of Tri-County Council for Southern Maryland and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Askey, Askey & Associates, CPA, LLC

**TRI-COUNTY COUNCIL FOR
SOUTHERN MARYLAND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2020**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Tri-County Council for Southern Maryland
Hughesville, Maryland

We have audited the accompanying financial statements of Tri-County Council for Southern Maryland (a nonprofit organization) which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tri-County Council of Southern Maryland as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020 on our consideration of Tri-County Council of Southern Maryland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tri-County Council of Southern Maryland, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tri-County Council of Southern Maryland's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS

Leonardtown, Maryland
December 22, 2020

TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND
Statement of Financial Position
June 30, 2020

Assets

Current Assets

Cash and Cash Equivalents	\$	3,255,741
Grants and Other Receivables		448,306
Prepaid Expenses		<u>37,640</u>
Total Current Assets		<u>3,741,687</u>

Other Assets

Property and Equipment, Net		83,265
Deposits		<u>5,483</u>
Total Other Assets		<u>88,748</u>
Total Assets	\$	<u><u>3,830,435</u></u>

The Accompanying Notes to Financial Statements
Are an Integral Part of These Financial Statements.

TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND
Statement of Financial Position
June 30, 2020

Liabilities

Current Liabilities

Accounts Payable and Accrued Expenses	\$	141,038
Accrued Payroll		67,176
Accrued Compensated Absences		128,636
Deferred Revenue		176,296
Total Liabilities		<u>513,146</u>

Net Assets

With Donor Restrictions		2,333,159
Without Donor Restrictions		984,130
Total Net Assets		<u>3,317,289</u>
Total Liabilities and Net Assets	\$	<u><u>3,830,435</u></u>

The Accompanying Notes to Financial Statements
Are an Integral Part of These Financial Statements.

EXHIBIT B

TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND
Statement of Activities
For the Year Ended June 30, 2020

	Without Donor	With Donor Restrictions	Total
Unrestricted net assets			
Revenue, gains and other support			
Federal Grants	\$ 2,479,822	\$	\$ 2,479,822
State Grants	1,779,507		1,779,507
County Appropriations	282,600		282,600
Local Grants	130,979		130,979
Other Revenue	66,851		66,851
Interest	41,053		41,053
In-Kind Contributions	6,012		6,012
Net Assets Released from Restriction	1,467,195	(1,467,195)	
Total Support and Revenue	<u>6,254,019</u>	<u>(1,467,195)</u>	<u>4,786,824</u>
Expenses			
Program Services	5,796,679		5,796,679
Management and General	414,909		414,909
Total Expenses	<u>6,211,588</u>		<u>6,211,588</u>
Increase (Decrease) in Net Assets	42,431	(1,467,195)	(1,424,764)
Net Assets at Beginning of Year, as previously stated	941,699		941,699
Restatement of Net Assets		3,800,354	3,800,354
Net Assets at Beginning of Year, as restated	<u>941,699</u>	<u>3,800,354</u>	<u>4,742,053</u>
Net Assets at End of Year	<u>\$ 984,130</u>	<u>\$ 2,333,159</u>	<u>\$ 3,317,289</u>

The Accompanying Notes to Financial Statements
Are an Integral Part of These Financial Statements.

TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND
Statement of Functional Expenses
For the Year Ended June 30, 2020

	Workforce Development Board	SMADC	All Other Programs	Total Programs	Management & General	Total
Salaries	\$ 1,350,201	\$ 428,040	\$ 290,759	\$ 2,069,000	\$ 119,836	\$ 2,188,836
Grants Awarded	200	1,106,020	36,600	1,142,820	350	1,143,170
Matching Easements		594,805		594,805		594,805
Fringe Benefits	333,849	102,444	66,597	502,890	32,299	535,189
Participant Training	479,419			479,419		479,419
Contractual Services	62,683	17,039	267,370	347,092	47,559	394,651
Rent and Utilities	59,731	31,992		91,723	63,996	155,719
Outreach	2,871	47,715	81,427	132,013	(4,365)	127,648
Meetings Hosted	9,394	25,809	78,524	113,727	837	114,564
Travel	48,308	12,585	22,186	83,079	6,167	89,246
Telephone and Fax	29,078		15,681	44,759	12,604	57,363
Supplies	22,640	9,151	4,029	35,820	9,461	45,281
Depreciation					39,487	39,487
Staff Training	27,048	356	250	27,654	4,133	31,787
Internet	8,951	4,739	1,230	14,920	9,554	24,474
Audit and Accounting					24,446	24,446
Membership and Dues	6,962	895	7,972	15,829	3,187	19,016
Equipment	6,402	579	7,571	14,552	3,554	18,106
Printing	4,963	8,751	1,043	14,757	1,964	16,721
Meetings and Seminars Attended	2,724	2,748	10,164	15,636	160	15,796
Cleaning Services	6,616			6,616	8,902	15,518
Software	4,067		6,881	10,948	4,194	15,142
Service Charge	323	1,578	864	2,765	10,502	13,267
Miscellaneous	5,638	1,160	1,228	8,026	2,567	10,593
Copier	7,262		1,125	8,387	1,977	10,364
Equipment Maintenance and Leases	6,178			6,178	2,690	8,868
Insurance	321			321	7,844	8,165
Resource Sharing Agreement	6,209			6,209		6,209
In-Kind Contributions			6,012	6,012		6,012
Postage	379	72	271	722	1,004	1,726
Total	\$ 2,492,417	\$ 2,396,478	\$ 907,784	\$ 5,796,679	\$ 414,909	\$ 6,211,588

The Accompanying Notes to Financial Statements
Are an Integral Part of These Financial Statements.

EXHIBIT D

TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND
Statement of Cash Flows
For the Year Ended June 30, 2020

Cash Flows From Operating Activities	
Change in Net Assets	\$ (1,424,764)
Adjustments to Reconcile Change in Net assets to Net Cash Provided by Operating Activities:	
Depreciation	39,487
(Increase) Decrease in Operating Assets:	
Grants and Other Receivables	238,565
Prepaid Expenses	42,240
Deposits	(950)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable and Accrued Expenses	(27,973)
Accrued Payroll	24,539
Accrued Leave	35,001
Deferred Revenue	105,058
	<hr/>
Net Cash Used in Operations	(968,797)
	<hr/>
Cash Flows From Investing Activities	
Purchase of Furniture and Equipment	(61,779)
	<hr/>
Net Cash Used in Investing Activities	(61,779)
	<hr/>
Decrease in Cash and Cash Equivalents	(1,030,576)
Cash and Cash Equivalents at Beginning of Year	4,286,317
	<hr/>
Cash and Cash Equivalents at End of Year	\$ 3,255,741
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The Accompanying Notes to Financial Statements
Are an Integral Part of These Financial Statements.

TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND
Notes to Financial Statements
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Tri-County Council for Southern Maryland (“the Organization”) was formed on December 6, 1964, as a cooperative planning and development agency to foster the social and economic development of the Southern Maryland Region. In 1965, the Governor of Maryland recognized the Organization as the regional planning and development organization for the region comprising of Calvert, Charles and St. Mary’s counties. The Organization’s statute was established by the Act of the Maryland General Assembly in 1966. The Organization’s enabling law was reenacted as State General Legislation in 1976 (Article 20, Maryland, Annotated Code).

The purpose of the Organization is to serve as a forum for the resolution of region-wide issues and the attainment of regional goals.

Basis of Accounting

The financial statements of Tri-County Council for Southern Maryland have been prepared in accordance with U.S. generally accepted accounting principles on the accrual basis of accounting. Under this method, revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). (ASC) 958-205 was effective January 1, 2018. Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

See Note 10 for a description of net assets with donor restrictions held at June 30, 2020.

Contributions

Contributions are recognized as revenues in the period unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is when the condition on which they depend are substantially met. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as pledges or contributions with donor restrictions, which increases the net assets with donor restrictions. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the revenue is recognized. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Tri-County Council for Southern Maryland considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Grants Receivable

All grants receivables are from government contracts or grants. The Organization considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Property and equipment with a cost in excess of \$1,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Repairs and maintenance costs are expensed as incurred.

Income Tax Status

The Tri-County Council for Southern Maryland is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purposes is subject to taxation as unrelated business

income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization may recognize the tax benefit from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax position include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business income tax (UBIT). The Organization has analyzed its tax positions taken for filings with the Internal Revenue Service. The organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's net assets changes in net assets or cash flows. Accordingly, the Organization has not recorded any tax assets or liabilities, or related accruals for interest and penalties, for uncertain income tax positions at June 30, 2020.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization's federal information returns are generally subject to examination by the Internal Revenue Service for three years after the date they are filed.

Revenue Recognition

The Organization recognizes revenue based on the existence or absence of an exchange transaction. The Organization recognizes revenue from exchange transactions, primarily events, when the earnings process is complete and the services have been performed or goods have been delivered.

Revenue from non-exchange transactions consist of the following:

- Contributions of cash and promises to give – Gifts received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue and net assets without donor restriction. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.
- Federal and state grants – Most Federal and state grants are conditional upon the incurrence of allowable qualifying expenses. Revenue is recorded as allowable qualifying expenses are incurred. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods. The Organization considers the restrictions on these grants as being met in the same period as the conditions, and the revenue is recognized as increases in net assets without donor restrictions.

State and local appropriations are recognized in the fiscal year when received. Reimbursements, interest, and miscellaneous income are recorded when earned.

Fair Value of Financial Instruments

The carrying value of cash, receivable and accounts payable approximates fair value due to the short maturity of these instruments. None of the financial instruments are held for trading purposes.

Functional Expense Allocation

The cost of the Organization's programs and administration have been summarized on a functional basis in the accompanying statement of activities and the statement of functional expenses. Certain categories of expenses are attributable to multiple programs and supporting services. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The Organization utilizes multiple cost pools to allocate costs, primarily based on direct salaries charged to each program. Payroll expenses and fringe benefits are allocated on the basis of estimates on time and effort.

New Accounting Pronouncement

In August 18, 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The new standard change the following aspects of the Organization's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called *net assets with donor restrictions*.
- The unrestricted net assets class has been renamed *net assets without donor restriction*;
- The financial statements include a new disclosure about the liquidity and availability of resources in Note 2.

In June 21, 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves the scope and the accounting guidance for contributions received and contributions made and addresses the diversity in practice of accounting for contributions and exchange transactions. The implementation of these new standards changes the following aspects of the Organization's financial statements:

- The Organization is required to reclassify donor restricted grants that were previously reported as unrestricted net assets to net assets with donor restrictions.
- Previously, grants were recorded as unrestricted net assets with deferred revenue for unspent funds, with the recognition as expenses were incurred. Under the new pronouncement, the Organization identified some funding streams that should be recognized as restricted contributions when received. Accordingly, the Organization

reviewed its beginning net assets and restated \$3,800,354 of deferred revenue as of June 30, 2019, to net assets with donor restrictions. The changes have the following effect on net assets as of June 30, 2019, as presented in the Statement of Activities as Net Assets at Beginning of Year, as previously stated:

	As Originally <u>Presented</u>	After Adoption of ASU 2016-14, and <u>ASU 2018-08</u>
Unrestricted net assets	\$ 941,699	\$
Net assets without donor restrictions		941,699
Net assets with donor restrictions		3,800,354
Total Net Assets	\$ <u>941,699</u>	\$ <u>4,742,053</u>

The effects of the restatement was a reduction in Deferred Revenue as previously stated.

	As Originally <u>Presented</u>	After Adoption of <u>ASU 2018-08</u>
Deferred Revenue	\$ 3,871,592	\$ 71,238

The Organization has adjusted the presentation of these financial statements accordingly.

2. ***LIQUIDITY AND AVAILABILITY OF RESOURCES***

The liquidity disclosure required by GAAP is intended to help both users and preparers of financial statements understand how restrictions or limits imposed by donors, grantors, laws, contracts, and governing boards affect the Organization's liquidity.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Total assets at year-end	\$ 3,830,435
Less those unavailable for general expenditures within one year, due to:	
Property and Equipment, Net	(83,265)
Security Deposit	(5,483)
Donor-Restricted Funds	<u>(2,333,159)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,408,528</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures become due. The Organization invests cash in excess of daily requirements in a money market fund.

3. CONCENTRATIONS OF RISK AND CONTINGENCIES

Credit Risk

Tri-County Council for Southern Maryland maintains cash and cash equivalent balances at financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. There were no amounts in excess of the federally insured amount at June 30, 2020. The Organization has not experienced any credit losses on its cash and cash equivalents to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of the financial institutions and believes that the risk of any credit loss is minimal.

In addition, the Tri-County for Southern Maryland invests in the Maryland Local Government Investment Pool (MLGIP), a money market fund. These funds are part of collateralized investment pools. The MLGIP is duly chartered, administered and subject to regulatory oversight by the State of Maryland. The MLGIP, under the administrative control of the Maryland State Treasurer is managed by Baltimore-based, PNC bank (in such capacity "Contractor"). An MLGIP Advisory Committee of current participants was formed to review the activities of the Contractor semi-annually and to provide suggestions to enhance the Pool. Current participants included municipal cities and towns, counties, Board of Education, community colleges, public libraries, Registers of Wills, and volunteer fire companies, and various state and county agencies. The MLGIP operates as a SEC Rule 2(a)-7-like pool, and thus, reports all investments at amortized cost (carrying value). The MLGIP maintains an AAAM rating from Standard & Poor's. As of June 30, 2020, the fair value of the Organization's position in the Pool is equal to its number of pool shares. The investments in the MLGIP are not federally insured. Uninsured amounts in this fund as of June 30, 2020, were \$3,068,429. Management believes the risk of these situations to be minimal. The Organization limits its interest rate risk by primarily investing in securities with maturity dates under one year.

Revenue Risk

Substantial portions of the Organization's revenues are generated from federal and state grants, with amounts totaling \$4,252,429 for the year ended June 30, 2020. Federal and state grant revenue approximated 89% of the Organization's total revenue and support for the year ended June 30, 2020. A potential reduction in funding from the grants in the future could significantly impact the Organization's ability to carry out its current program activities. However, management of the Organization does not consider this a significant risk in the near term.

4. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2020 consists of the following:

	Estimated Useful Lives (in years)		
Office Furniture and Equipment	3 - 7	\$	559,144
Vehicles	5		345,440
			<hr/>
Total Property and Equipment			906,604
Less: Accumulated Depreciation			(821,319)
			<hr/>
Property and Equipment, Net		\$	83,265
			<hr/>

Major additions and betterments to property and equipment are capitalized by increasing the related asset accounts. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from accounts, and any gain or loss is included in revenues. Depreciation expense for the year ended June 30, 2020, totaled \$39,487.

5. COMPENSATED ABSENCES

A liability is recorded for the estimated amounts of compensation for future absences in accordance with FASB ASC 710-10-25-1. Accrued annual leave up to 350 hours is payable upon termination of employment. Total compensated absences due to employees at June 30, 2020, totaled \$128,636.

6. DESCRIPTION OF PROGRAM SERVICES

The following programs are included in the accompanying financial statements:

- Southern Maryland Agriculture Development Commission (SMADC) – Preservation of agriculture as a viable industry.
- Workforce Development Board – Preparation and employment systems designed to meet both the needs of businesses and job seekers.
- Economic Development – Diversify and broaden the economic base of Southern Maryland.
- Transportation – Regional transportation planning and development and commuter assistance.

7. GRANT AWARDED

In July 2019, the Organization awarded the Commissioners of St. Mary's County \$1,000,000 for the construction of a Regional Agriculture Center building on the New Market Road in Charlotte Hall, Maryland. The grant was awarded through the Southern Maryland Agriculture Development Commission (SMADC) and is included in Grants Awarded on the Statement of Functional Expenses.

8. OPERATING LEASES

The Organization leases two office suites in Hughesville, Maryland, under a two-year commercial lease agreement which expired June 30, 2020. The lease agreement was renewed to extend the lease term from July 2020 through June 2022. Rent expense under this commercial lease for the year ended June 30, 2020 was \$96,000.

The Organization entered into a lease agreement for the Lexington Park, Maryland office under a three-year commercial lease agreement, expiring March 31, 2019. The Organization exercised the option to renew the lease annually for two years, expiring March 31, 2021. Rent expense under this commercial lease for the year ended June 30, 2020 was \$28,634.

The Organization entered into a lease agreement for the Calvert Chambers office located in Prince Frederick, Maryland under a two-year lease agreement, expiring November 30, 2018. In August 2018, the lease agreement was renewed, and the lease term was extended from August 1, 2018 through December 31, 2022. Rent expense under this lease for the year ended June 30, 2020 was \$6,000.

The Organization entered into a lease agreement for an office unit located in Waldorf, Maryland, in June 2017, expiring June 2020. In March 2020, a lease agreement was signed for a new space in Waldorf, Maryland, beginning in June 2020 for two years, expiring June 2023. Rent expense under these leases for the year ended June 30, 2020 was \$21,000.

At June 30, 2020, future minimum payments due under these leases are as follows:

Year ending June 30, 2021	\$ 152,278
Year ending June 30, 2022	\$ 132,000
Year ending June 30, 2023	\$ <u>33,000</u>
Total	\$ 317,278

The Organization leases several copiers. Rent expenses under these operating leases for the year ended June 30, 2020, was \$1,357.

9. PROFIT SHARING PLAN

Tri-County Council for Southern Maryland offers a deferred profit sharing plan under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees to contribute a portion of their salary to individual accounts. The Organization will make a matching contribution equal

to 100% of the first 6% of employee salary plus discretionary contributions not to exceed the limits of the Internal Revenue Code.

An employee salary reduction is required in order to share in the Organization’s matching contribution for such year but is not required in order to share in the Organization’s discretionary contribution, if any. Eligible employees are those who have worked for the Tri-County Council for Southern Maryland for at least six months. Profit sharing plan expense for the year ended June 30, 2020, was \$84,535, and is included in fringe benefits in the accompanying Statements of Functional Expenses.

10. NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with donor restrictions at June 30, 2020, consist of the following:

Southern Maryland Agriculture Development Commission (SMADC)	\$	2,253,684
Southern Maryland Economic Development Association (SMEDA)		1,192
Southern Maryland Heritage Consortium		63,397
Joint Land Use Study		14,886
		<hr/>
Total Net Assets with Donor Restrictions	\$	<u>2,333,159</u>

11. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization (“WHO”) recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary site closures, and wide-sweeping stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy, including the industries in which the Organization operates.

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 22, 2020, the date the financial statements were available to be issued.

Supplemental Information

TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures
Department of Labor			
Pass-through programs from Maryland Department of Labor:			
Workforce Innovation and Opportunity Cluster			
Workforce Innovation and Opportunity Act Adult Program	17.258	P00P-94-SM-FY19-A	88,968
Workforce Innovation and Opportunity Act Adult Program	17.258	P06-SM-PY19-A	75,868
Workforce Innovation and Opportunity Act Adult Program	17.258	P06-SM-FY20-A	403,015
Total Workforce Innovation and Opportunity Act Adult Program			567,851
Workforce Innovation and Opportunity Act Youth Activities	17.259	P00P-94-SM-PY18-Y	288,090
Workforce Innovation and Opportunity Act Youth Activities	17.259	P06-SM-PY19-SYC	37,734
Workforce Innovation and Opportunity Act Youth Activities	17.259	P06-SM-PY19-Y	380,495
Total Workforce Innovation and Opportunity Act Youth Activities			706,319
Workforce Innovation and Opportunity Act Dislocated Worker Formula Grants	17.278	P00P-94-SM-FY19-D	356,688
Workforce Innovation and Opportunity Act Dislocated Worker Formula Grants	17.278	P06-SM-PY19-D	106,517
Workforce Innovation and Opportunity Act Dislocated Worker Formula Grants	17.278	P06-SM-FY20-D	476,105
Total Workforce Innovation and Opportunity Act Dislocated Worker Formula Grants			939,310
Total Division of Workforce Development - DLLR, WIOA Cluster			2,213,480
Pass-through programs from Anne Arundel Workforce Development Corporation:			
Workforce Innovation and Opportunity Cluster			
Workforce Innovation and Opportunity Act National Dislocated Worker Grant	17.277	S-01-TCC-EM298181660A24	152,083
Total Department of Labor			2,365,563

See Accompanying Notes to Schedule of Expenditures of Federal Awards

TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures
Department of Transportation			
Pass-through programs from Maryland Transit Administration (MTA)			
Federal Transit Formula Grants	20.507	TS29CMAQ2020	108,587
Total Department of Transportation			108,587
United States Department of Agriculture			
Special Crop Block Grant Program - Farm Bill	10.170	AM170100G001	5,672
Total United States Department of Agriculture			5,672
Total Expenditures of Federal Awards			\$ 2,479,822

See Accompanying Notes to Schedule of Expenditures of Federal Awards

TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND
Notes to Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2020

1. *BASIS OF PRESENTATION*

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Tri-County Council for Southern Maryland (the Organization), under programs of the federal government for the year ended June 30, 2020. 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). Because the Schedule presents only a selected portion of the operations of Tri-County Council for Southern Maryland, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. *INDIRECT COST RATE*

Tri-County Council for Southern Maryland has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

4. *SUBRECIPIENTS*

No Federal awards were passed through to subrecipients.



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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

To the Board of Directors of
Tri-County Council for Southern 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 Tri-County Council for Southern Maryland (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tri-County Council for Southern Maryland's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tri-County Council for Southern Maryland's internal control. Accordingly, we do not express an opinion on the effectiveness of Tri-County Council for Southern Maryland's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tri-County Council for Southern Maryland's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Askey, Askey & Associates, CPA, LLC

Askey, Askey & Associates, CPA, LLC

Leonardtown, Maryland

December 22, 2020



Askey, Askey & Associates, CPA, LLC

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

To the Board of Directors of
Tri-County Council for Southern Maryland

Report on Compliance for Each Major Federal Program

We have audited Tri-County Council for Southern Maryland's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tri-County Council for Southern Maryland's major federal programs for the year ended June 30, 2020. Tri-County Council for Southern 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Tri-County Council for Southern 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tri-County Council for Southern 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 major federal programs. However, our audit does not provide a legal determination of Tri-County Council for Southern Maryland's compliance.

Opinion on Each Major Federal Program

In our opinion Tri-County Council for Southern 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, 2020.

Report on Internal Control Over Compliance

Management of Tri-County Council for Southern 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 Tri-County Council for Southern 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tri-County Council for Southern 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Askey, Askey & Associates, CPA, LLC
Askey, Askey & Associates, CPA, LLC
Leonardtown, Maryland
December 22, 2020

TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

Workforce Innovation and Opportunity Act (WIOA) Cluster
CFDA #'s: 17.258, 17.259, 17.278

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes

TCCSMD OFFERS SKILLUP SOUTHERN MARYLAND

A FREE PROGRAM PROVIDING OVER 5,000 ONLINE JOB SKILLS COURSES TO LOCAL RESIDENTS AND BUSINESSES

HUGHSVILLE, Md. - In an effort to both increase the skills of the region's workforce and provide residents with tools to train for new job opportunities, Tri-County Council for Southern Maryland (TCCSMD) has launched its SkillUp® Southern Maryland program. All Southern Maryland residents are eligible and can take classes, explore career pathways, and even prepare for various industry-recognized certifications, all for free and all from home.

Through an online portal, TCCSMD provides free access to over 5,000 courses from Skillsoft, a nationally recognized training provider of workplace, business, technical and IT courses.

"Through SkillUp® Southern Maryland, our workforce development board can serve a significantly larger portion of our community and enhance our overall career services offering," said TCCSMD Director of Regional Workforce & Business Development Ruthy Davis. "In addition, we are providing the tools necessary to upskill our local workforce and increase the pool of qualified candidates to support our existing and potential local businesses."

Whether they are looking for a first job, a new job, or to advance in their chosen field, residents can take advantage of this career enhancing training. SkillUp® Southern Maryland delivers flexible, self-paced learning that can be accessed from anywhere with a high-speed internet connection, 24/7. Users will complete a self-assessment of their skills, identify any skill gaps, and automatically receive recommended courses to remediate those gaps. Jobseekers can train in essential workplace skills, study job interview talking points, and search for employment opportunities nationwide.

Available topics include Microsoft Office, Effective Customer Service, Project Management, Leadership, Critical Thinking, CompTIA, and many more.

Click [here](#) for a 1-minute video overview of SkillUp® Southern Maryland. To enroll online, learners can visit <http://southernmaryland.skillupamerica.org>.

Local businesses can take advantage of SkillUp® Southern Maryland for new hire training. Custom curricula can be developed pertinent to a particular employer or industry. Businesses can also access the platform's employer portal to identify skilled candidates or list their job openings. Interested employers can contact TCCSMD at SkillUp@tccsmd.org.

About Tri-County Council for Southern Maryland

Tri-County Council for Southern Maryland (TCCSMD) was formed in 1964, as a cooperative planning and development agency to foster the social and economic development of Calvert, Charles, and St. Mary's counties. The purpose of the Tri-County Council for Southern Maryland is to serve as a forum for the resolution of region-wide issues and the attainment of regional goals.

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Capital COVID-19 Survey:

Planning for the Return to Worksites



Methodology Details

Audience



Employers of any size with worksites located in the Capital Region. *Respondents included C-suite-level leaders and decision makers involved in reopening plans and activities.*

Geography



Capital Region
(Washington, Baltimore, and Richmond metro areas)

Data Collection



Online survey managed and hosted online by EY, under the supervision of EY research team. Responses were collected between **November 11, 2020 through December 11, 2020.**

Sample

Survey respondents were sought from email subscriber lists from The Greater Washington Partnership and **twenty-four partner organizations** including top public transit agencies and local Chambers of Commerce.

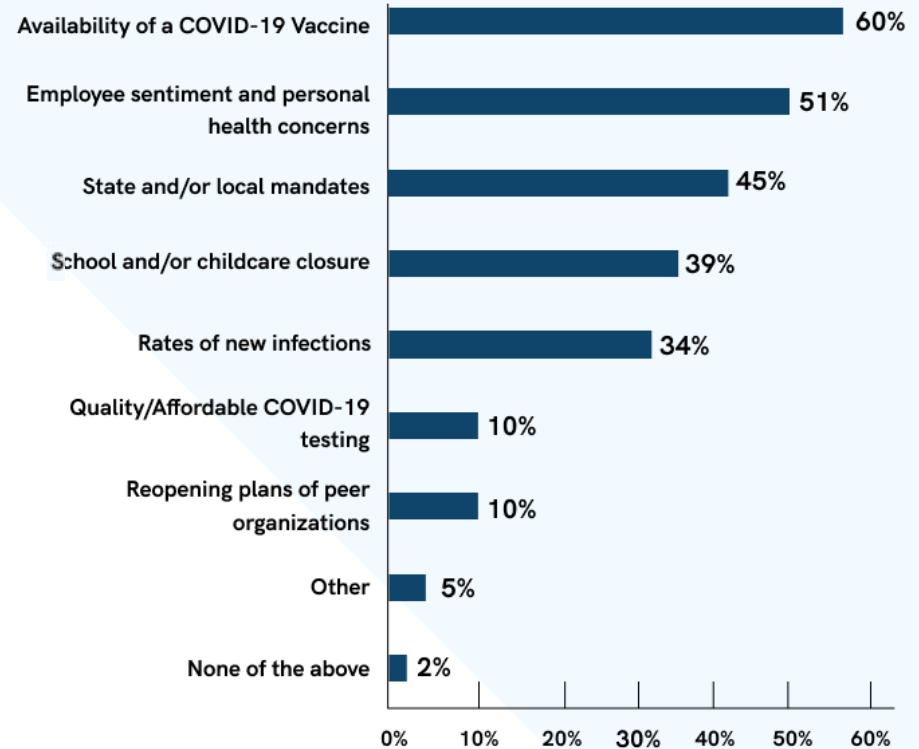
Responses from 172 employers from various industries are represented in the Covid-19 Winter survey. Together these organizations employ approximately 139,000 people in the Capital Region.

VACCINE AVAILABILITY AND EMPLOYEE SENTIMENT ARE THE BIGGEST DRIVERS FOR DECISIONS REGARDING REOPENING



Vaccines, schools, and employee sentiment are driving reopening plans and decisions to bring employees back

Biggest Driver for Decisions Regarding When to Bring Employees Back to Worksites

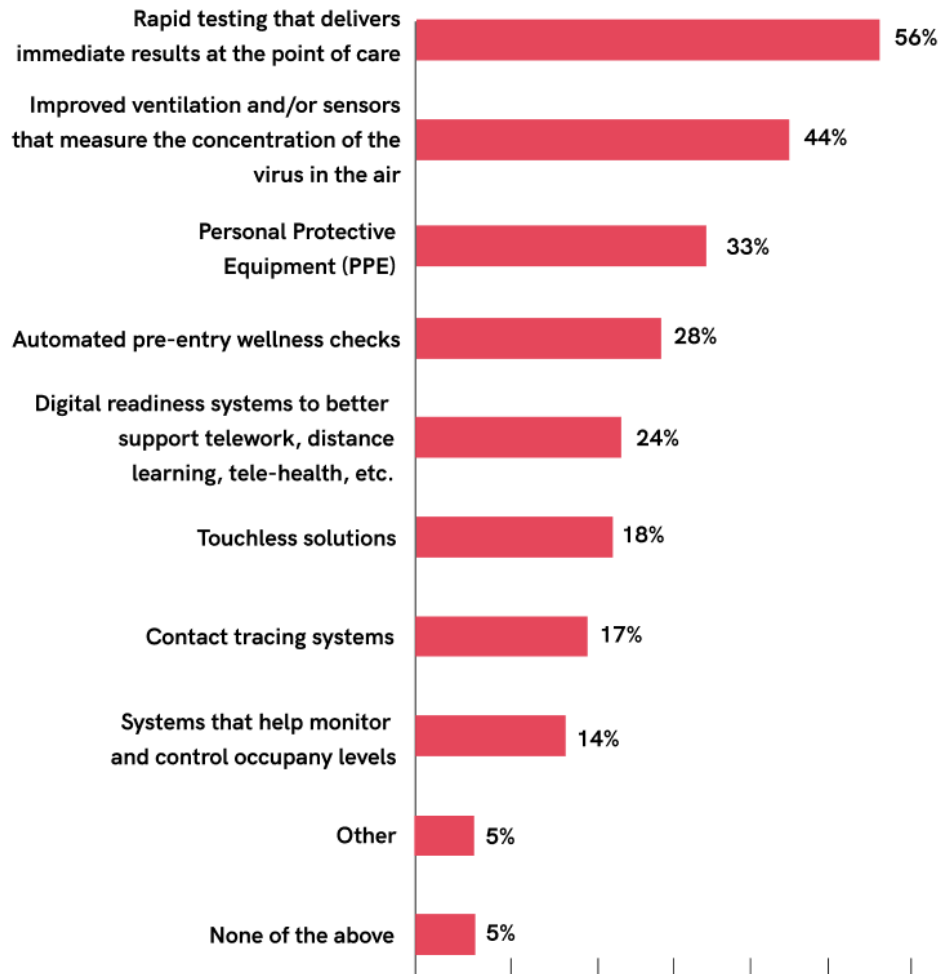


Q: Which of the following is the biggest driver for your organization's decisions regarding when to bring employees (and/or students, clients, etc.) back to worksites? (Please select up to 3)

AVAILABILITY OF RAPID TESTING IS THE NUMBER ONE SOLUTION THAT WOULD MAKE WORKSITES MORE RESILIENT IN THE FACE OF PANDEMICS



Solutions to Make Worksites More Resilient



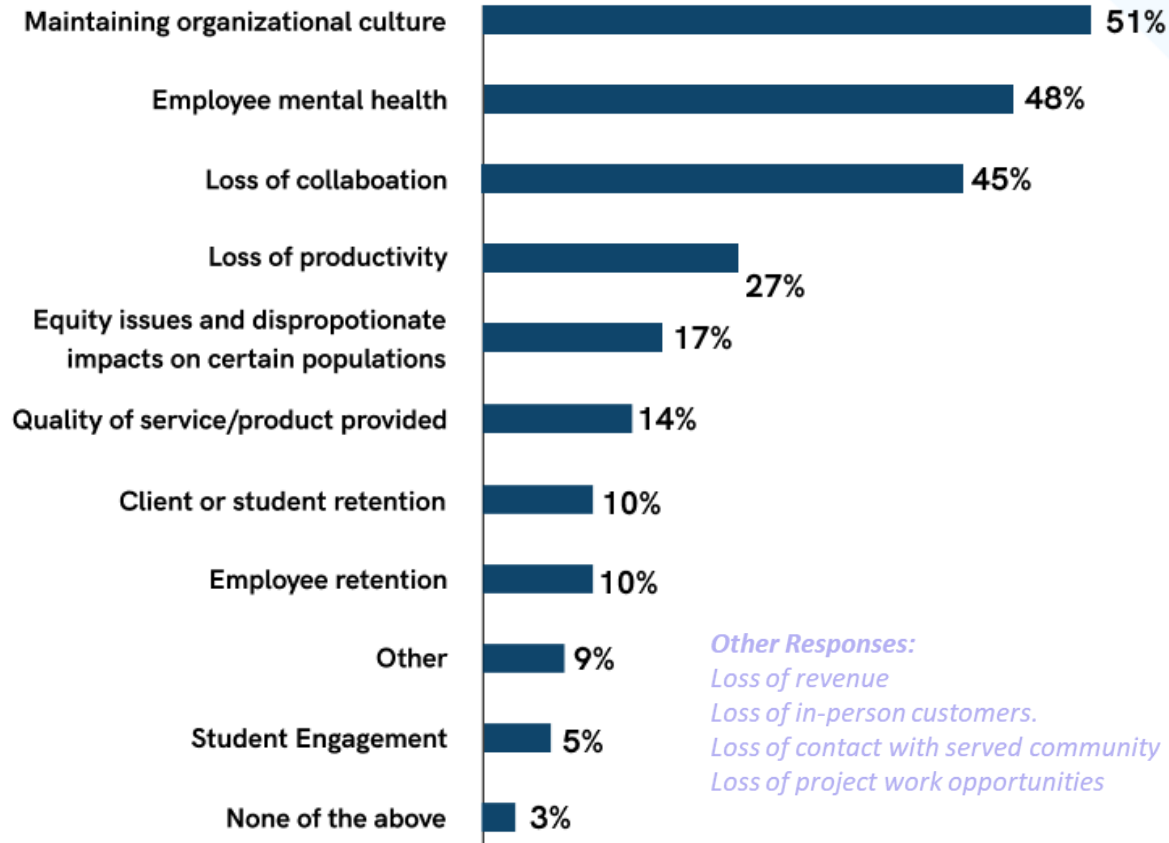
Most employers indicate that rapid testing and improved ventilation systems are the top solutions that can make workplaces safe in future pandemics.

Q: Which of the following solutions would most help your worksite(s) be resilient in the face of pandemics? Please select up to 3.

SOCIAL CAPITAL AND EMPLOYEE MENTAL HEALTH ARE TOP CONCERNS FOR EMPLOYERS



Most Concerning Ways COVID-19 Has Disrupted Workplaces



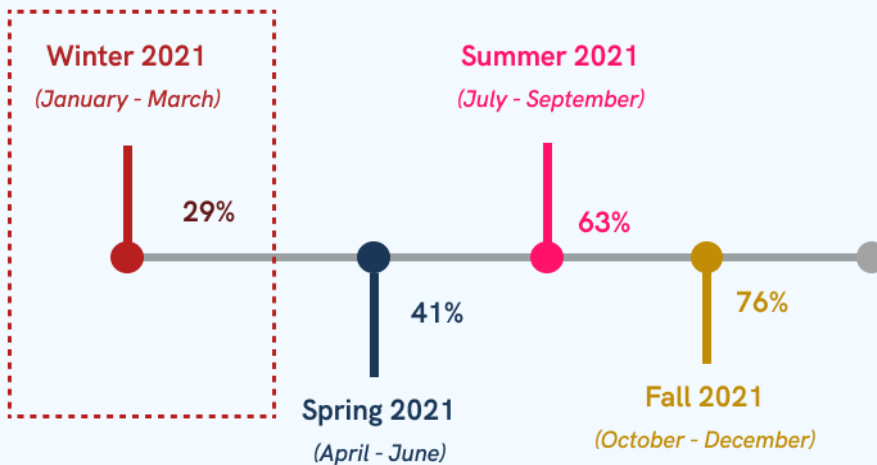
Close to half of the respondents rated employee mental health, loss of collaboration, and loss of organizational culture as top areas of concern for how the COVID pandemic is affecting their workforce.

Q: Thinking about how COVID may have disrupted your services and impacted interactions at the workplace, which of the following is MOST concerning to your organization? (Please select up to 3)

WITH UNCONTROLLED SPREAD OF COVID-19, EMPLOYERS HAVE DELAYED THE PHASED RETURN TO THE WORKSITE



Share of Workforce Expected Onsite Over the Next Year (Results from Winter Snapshot)



According to respondents, on average, 29% of their workforce is expected to be physically at their worksites in winter 2021 (January - March).

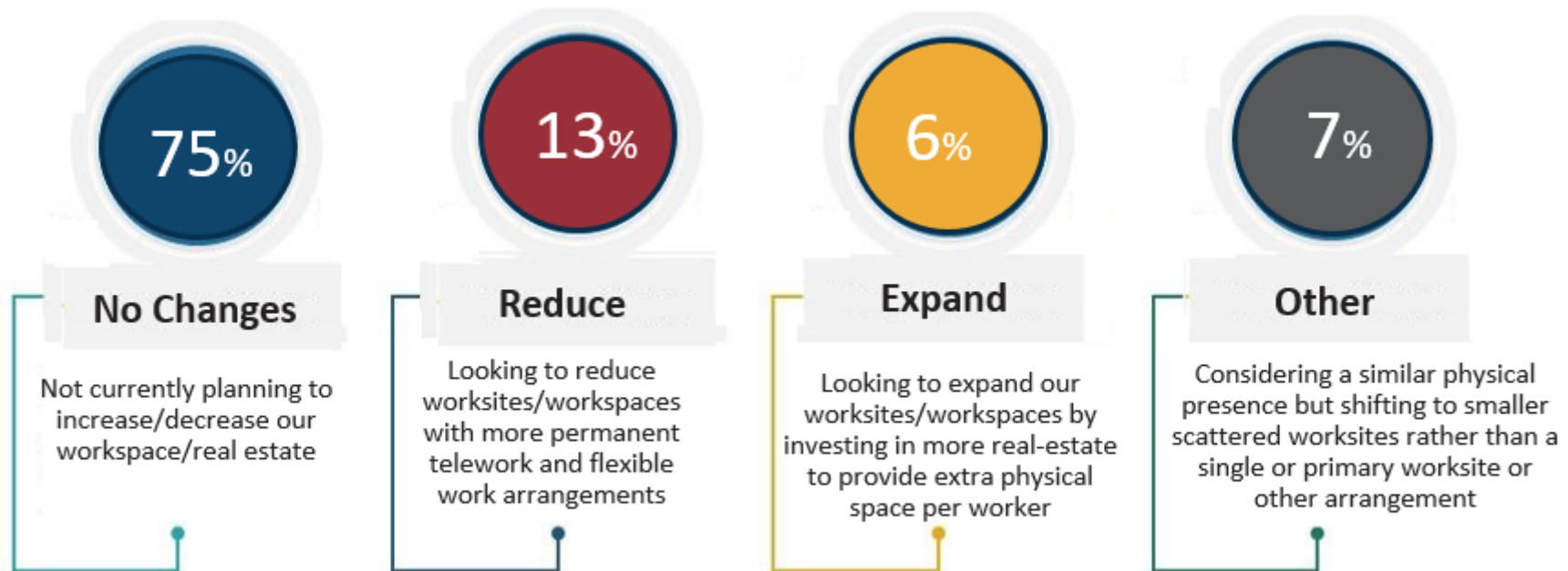
When asked in August, employers assumed 49% of their workforce would be on site during this same time period. Delayed plans to return to worksites reflect the course of the pandemic. As the number of those infected has increased over the past few months, employers' expected timelines for returning staff to worksites have shifted back.

Q: As of today, what percentage of employees reporting to this location do you expect to be commuting to/from this location on a typical workday during the upcoming months?

8 OUT OF 10 EMPLOYERS ARE NOT PLANNING TO MAKE CHANGES TO THEIR REAL-ESTATE / OFFICE FOOTPRINT



EMPLOYERS' PLANS RELATED TO REAL-ESTATE PRESENCE IN THE NEXT 12 MONTHS



Larger employers (1000+) are more likely (30%) to say they plan to reduce worksites/workspaces with more permanent telework and flexible work arrangements.

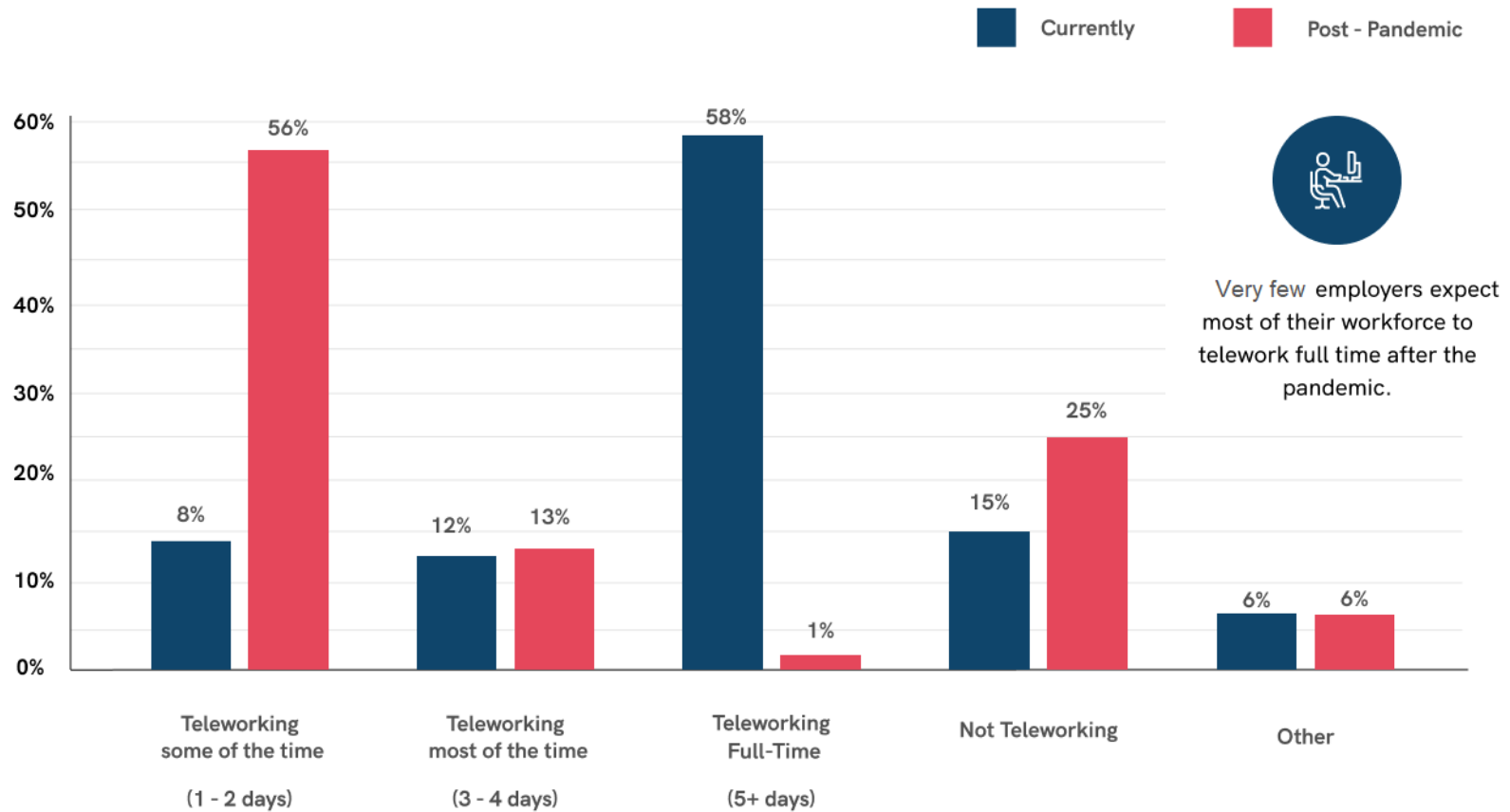
Q: Assuming the size of your workforce remains the same, which statement best describes your organization's plans for reducing/expanding worksites or workspace in the next 12 months:



COVID IMPACT ON TELEWORKING

TELEWORK SHARE POST COVID-19

Percentage of Employers Estimating Their Workforce Telework Practices



Q: Currently, most of my organization's employees are...

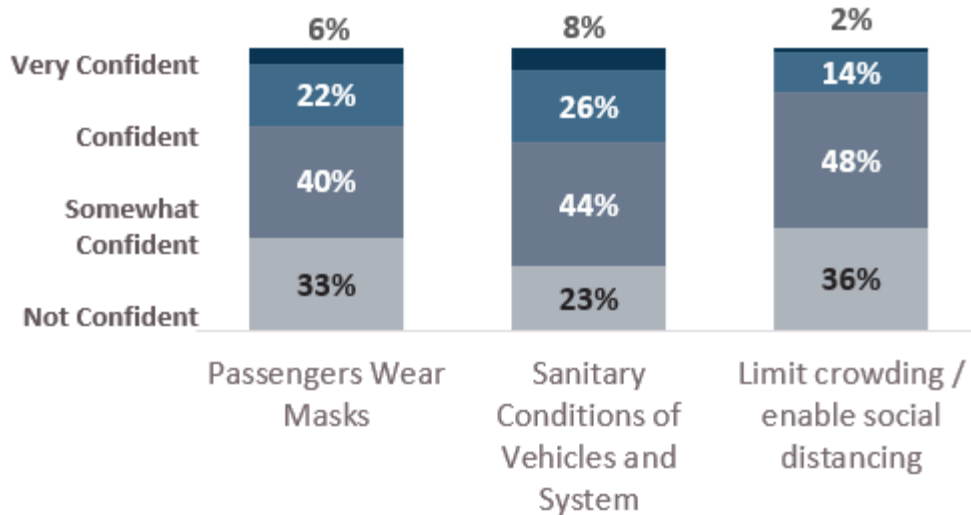
Q: After the COVID-19 pandemic, I anticipate most of my organization's employees will...



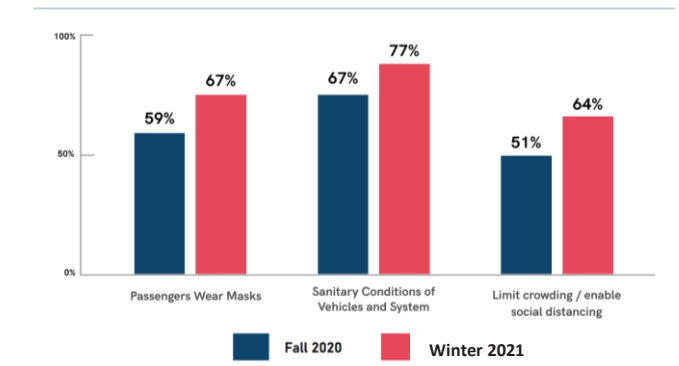
CONFIDENCE IN PUBLIC TRANSIT IS GRADUALLY IMPROVING

% of Respondents – Employer Confidence in Local Transit Agencies Ability To Ensure The Following -

Winter 2020



% of Respondents at Least “Somewhat Confident”



The level of confidence in transit agencies’ ability to provide safe transportation, limit crowding, ensure passengers wear masks, and provide sanitary vehicles has grown since August.

Q: How confident is your organization that local transit agencies will be able to ensure the following:

GYMS, RESTAURANTS, PUBLIC TRANSIT, AND ARENAS ARE SEEN AS HIGHER-RISK AREAS FOR COVID-19 TRANSMISSION



Perceived Risk of COVID-19 Transmission – Most Concerning Venues Employer Rankings



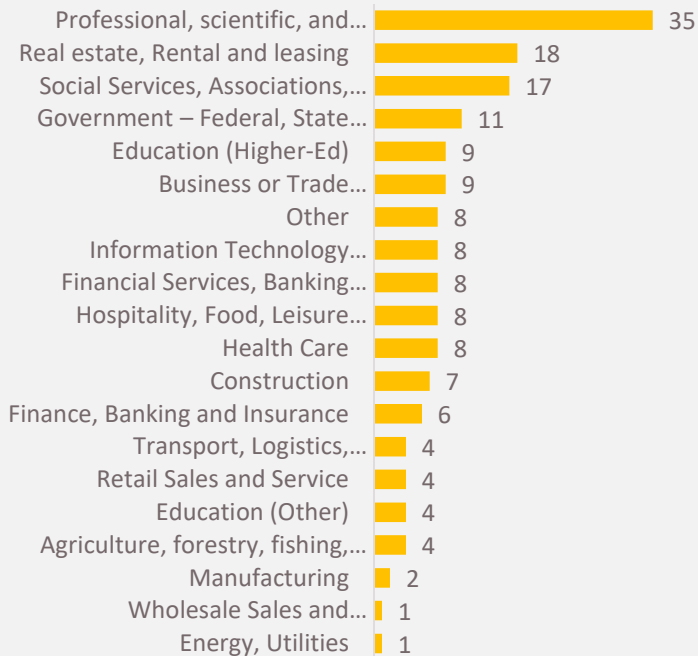
Q: Rank the following venues in terms of perceived risk of COVID-19 transmission from 1 - most concerning to 6 – least concerning:



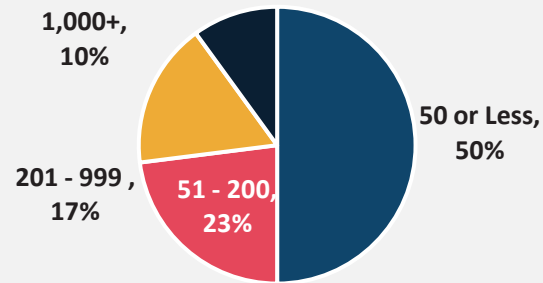
Respondent Information

172 unique employers in more than 20 industry sectors across all three Metro Areas (Washington, Baltimore and Richmond) in the Capital Region responded to the survey.

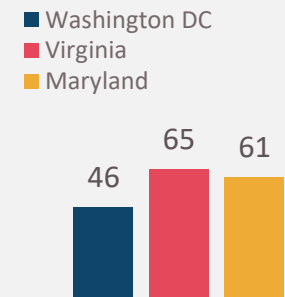
Industry Type



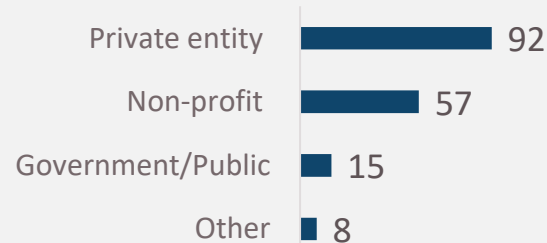
ORGANIZATION SIZE (% of Responses)



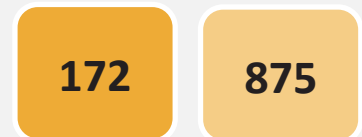
Primary Location



Organization Type (Number of Responses)



Employers Number of Sites*



*Please note, 64 organizations listed having multiple sites in the Capital Regions; a third indicated that not all sites follow the same work policies. Survey responses are not meant to represent policies in those sites.