

COUNTY OF MONTEREY
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2020



CLAconnect.com

WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING

**COUNTY OF MONTEREY
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020**

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	11
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	13
SUPPLEMENTARY SCHEDULES OF THE DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT	16



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

The Honorable Board of Supervisors
County of Monterey
Salinas, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Monterey (the County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 3, 2021. Our report includes a reference to other auditors who audited the financial statements of Monterey County Children and Families Commission, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

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

County’s Response to Findings

The County’s response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The County’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



CliftonLarsonAllen LLP

Roseville, California
March 3, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Board of Supervisors
County of Monterey
Salinas, California

Report on Compliance for Each Major Federal Program

We have audited County of Monterey'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 County of Monterey's major federal programs for the year ended June 30, 2020. County of Monterey's major federal programs are identified in the summary of auditors' 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 County'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 County'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 County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County 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 the County 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 the County'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 the County'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.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2020, and have issued our report thereon dated March 3, 2021, that contained an unmodified opinion on those financial statements. We did not audit the Monterey County Children and Families Commission, which represents 100 percent of the assets, liabilities and revenues of the discretely presented component unit, as of and for the year ended June 30, 2020. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Commission are based solely on the reports of the other auditors. 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 is presented for purposes of additional analysis as required by the Uniform Guidance 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, based on our audit and the report of other auditors, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Supplementary Schedules

The supplementary schedules of the Department of Community Services and Development have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



CliftonLarsonAllen LLP

Roseville, California
April 20, 2021

COUNTY OF MONTEREY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
<u>U.S. Department of Agriculture</u>				
Passed through State Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care				
Glassy Winged Sharp Shooter - GWSS	10.025	17-0453-024-SF	\$ 165,975	\$ -
Exotic Fruit Fly	10.025	19-0248	232,776	-
Lightbrown Apple Moth - LBAM Trapping	10.025	19-0268-033-SF	16,223	-
Gypsy Moth	10.025	19-0248	10,626	-
Other Trapping (EGBM)	10.025	19-0248	42,447	-
Japanese Beetle	10.025	19-0248	8,886	-
CalTrap	10.025	19-0248	101	-
European Grapevine Moth - EGVM	10.025	18-0619-011-SF	62,963	-
European Grapevine Moth - EGVM	10.025	19-0994-013-SF	114,867	-
Asian Citrus Psyllid - ACP/ACP Grove	10.025	18-0293-012-SF	28,128	-
Asian Citrus Psyllid - ACP/ACP Grove	10.025	19-0737-020-SF	108,567	-
Asian Citrus Psyllid - Bulk Citrus Reg	10.025	19-025-000-SA	10,742	-
High Risk	10.025	19-0052	11,366	-
Sudden Oak Death (SOD)	10.025	19-0267-025-SF	19,674	-
Lightbrown Apple Moth - LBAM Enforcement	10.025	19-0268-005-SF	10,501	-
Egg Safety Quality Inspections	10.025	19-0287-000-SA	3,442	-
Subtotal CFDA Number 10.025			847,284	-
Passed through the State Department of Education:				
School Nutrition Program	10.560		127,438	-
Passed through the State Department of Social Services:				
State Administrative Matching Grants for Food Stamp Program	10.561		10,564,230	-
Passed through State Department of Aging:				
State Administrative Matching Grants for Food Stamp Program	10.561	CF-1920-32	12,957	9,226
State Administrative Matching Grants for Food Stamp Program	10.561	SP-1718-32	29,041	29,041
State Administrative Matching Grants for Food Stamp Program	10.561	SP-1819-32	50,622	44,600
Passed through the State Department of Public Health:				
Supplemental Nutrition Assistance Program - Education	10.561	16-10155	590,135	132,950
Subtotal SNAP Cluster			11,246,985	215,817
Special Supplemental Nutrition Program for Women, Infants, and Children - Admin. Costs	10.557	15-10094	4,202,704	-
Total U.S. Department of Agriculture			16,424,411	215,817
<u>U.S. Department of Commerce</u>				
Direct Programs:				
EDA Revolving Loan Fund	11.307		43,141	-
EDA Revolving Loan Fund - Outstanding Loan Balance	11.307		1,222,896	-
EDA Cluster CFDA Number 11.307			1,266,037	-
Total U.S. Department of Commerce			\$ 1,266,037	\$ -
<u>U.S. Department of Housing and Urban Development</u>				
Passed through State Department of Housing and Community Development:				
Community Development Block Grants/Entitlement Grants	14.218	Entitlement/ Urban County	642,237	506,047
Community Development Block Grants/Entitlement Grants (outstanding loan)	14.228		3,232,510	-
Home Investment Partnership Program (program income)	14.239	HOME PI	4,013	-
Home Investment Partnership Program (outstanding loan)	14.239	Home Investment Pship	8,556,501	-
Subtotal CFDA Number 14.239			8,560,514	-
Total U.S. Department of Housing and Urban Development			12,435,261	506,047

**COUNTY OF MONTEREY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
<u>U.S. Department of Justice</u>				
Direct Programs:				
Monterey County Veterans Treatment Court Enhancement Project	16.585	2017-VV-BX-0059	162,700	-
Drug Enforcement Administrator	16.922	2019-31	7,421	-
Passed through the Governor's Office of Emergency Services:				
Victims of Crime Act (VOCA)	16.575		144,061	137,353
County Victim Services Program (VOCA) Probation	16.575		34,636	-
County Victim Services Program (VOCA) District Attorney	16.575		14,754	-
County Victim Services Program (VOCA) Health	16.575		3,887	-
Increased Access to Services Program	16.575	KU19010270	11,085	-
Underserved Victim Advocacy and Outreach Program	16.575	XV15010270	58,316	-
Underserved Child and Youth Advocacy Program	16.575	XY19020270	214,512	59,820
Unserved/Underserved Victim Advocacy and Outreach Program	16.575	UV19020270	105,074	-
Victim Witness Assistance Program	16.575	VW19380270	873,144	-
Subtotal CFDA Number 16.575			1,459,469	197,173
Passed through the Board of State and Community Corrections:				
Monterey County Mental Health Training Grant	16.738	2016-DJ-BX-0446	11,960	-
Passed through the City of Salinas:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738		12,967	-
Subtotal CFDA Number 16.738			24,927	-
Total U.S. Department of Justice			1,654,517	197,173
<u>U.S. Social Security Administration</u>				
Direct Programs:				
Social Security Incentive Program	16.755		38,400	-
Total U.S. Department of Commerce			38,400	-
<u>U.S. Department of Labor</u>				
Passed through the North Central Counties Consortium:				
WIOA ADULT 201	17.258	AA011017	333,878	166,939
WIOA ADULT 202	17.258	AA011017	545,487	265,091
WIOA ADULT 202	17.258	K9110028	557,894	278,947
WIOA ADULT 500	17.258	K9110028	366,762	183,381
WIOA DISLOCATED WORKER 501	17.278	AA011017	347,848	173,924
WIOA DISLOCATED WORKER 502	17.278	AA011017	1,185,535	631,718
WIOA YOUTH 301	17.259	AA011017	761,616	310,691
WIOA YOUTH 301	17.259	K9110028	1,178,618	589,309
WIOA YOUTH 302	17.259	K9110029	5,687	-
WIOA RAPID RESPONSE 540	17.278	AA011017	32,852	-
WIOA RAPID RESPONSE 541	17.278	AA011017	155,872	-
Subtotal - WIOA Cluster			5,472,049	2,600,000
Total U.S. Department of Labor			5,472,049	2,600,000

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF MONTEREY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
<u>U.S. Department of Transportation</u>				
Passed through the State Department of Transportation:				
Highway Planning and Construction	20.205	BRLS-5944 (068)	475,228	-
Highway Planning and Construction	20.205	BHLO-5944 (099)	193,349	-
Highway Planning and Construction	20.205	BHLO-5944 (100)	58,022	-
Highway Planning and Construction	20.205	BRLS-5944 (098)	34,386	-
Highway Planning and Construction	20.205	BRLO-5944 (102)	95,771	-
Highway Planning and Construction	20.205	BRLO-5944 (103)	9,115	-
Highway Planning and Construction	20.205	5944-440	562,499	-
Highway Planning and Construction	20.205	DEM101 5944 (112)	73,367	-
Highway Planning and Construction	20.205	ER32L0-440	401,704	-
Highway Planning and Construction	20.205	ER32L0-435	626,614	-
Highway Planning and Construction	20.205	HSIPL-5944 (127)	124,894	-
Highway Planning and Construction	20.205	HSIPL-5944 (130)	22,837	-
Highway Planning and Construction	20.205	ER32L0-439	363,399	-
Highway Planning and Construction	20.205	ER32L0-458	388,296	-
Highway Planning and Construction	20.205	5944-123	4,206	-
Subtotal Highway Planning and Construction Cluster CFDA 20.205			3,433,687	-
Passed through the State Office of Traffic Safety:				
STVS- Safe Travels Via Salinas	20.600	PS18019	66,212	-
Alcohol & Drug Impaired Vertical Prosecution Program	20.601	D19009	235,880	-
Drug/Alcohol Treatment Court	20.608	AL1723	24,249	-
Monterey County DUI Court	20.608	D18018	35,407	-
Subtotal - Office of Traffic Safety Cluster			361,748	-
Total U.S. Department of Transportation			3,795,435	-
<u>U.S. Food and Drug Administration</u>				
Passed through Association of Food and Drug Officials				
Retail Program Standards Grant Program	91.103	G-T-1909-07496	1,745	1,745
Total U.S. Elections Administration Commission			1,745	1,745
<u>U.S. Department of Health and Human Services</u>				
Direct Programs:				
Health Center Program	93.224		650,000	-
Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding	93.224		649,595	-
Expanding Capacity for Coronavirus Testing (ECT)	93.224		127,355	-
Coronavirus Supplemental Funding For Health Centers	93.224		82,025	-
Subtotal CFDA Number 93.224			1,508,975	-
Ryan White Part C Outpatient EIS Program	93.918		62,936	-
Passed through the State Department of Aging:				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AP-1819-32	426,567	249,532
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-1819-32	361,370	301,956
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-1819-32	496,098	452,026
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045		21,973	-
Nutrition Services Incentive Program	93.053	AP-1819-32	101,373	101,373
Subtotal - Aging Cluster			1,407,381	1,104,887

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF MONTEREY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1819-32	5,318	5,318
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1819-32	33,749	33,749
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	AP-1819-32	31,590	31,590
National Family Caregiver Support	93.052	AP-1819-32	219,322	193,543
Medicare Enrollment Assistance Program	93.071	MI-1819-32	21,570	19,443
Medicare Enrollment Assistance Program	93.071	MI-1819-32	7,201	6,481
State Health Insurance Assistance Program	93.324	HI-1718-32	89,713	80,742
Passed through the State Department of Alcohol and Drug Programs: Block Grants for Prevention and Treatment of Substance Abuse	93.959		1,835,756	-
Passed through the State Department of Child Support Services: Child Support Enforcement	93.563		6,882,513	-
Passed through the State Department of Community Services and Development:				
Community Services Block Grant	93.569	19F-4027	250,461	156,684
Community Services Block Grant	93.569	19F-4429	28,575	22,414
Community Services Block Grant	93.569	20F-3027	251,320	186,885
Subtotal - CSBG Cluster			530,356	365,983
Passed through the State Department of Health Care Services:				
Tuberculosis Control Program	93.116	1927BAS00/1927FSIE00	5,419	-
Targeted Case Management/Medi-Cal Administrative Activities	93.778	18-95001/27-17 EVRGRN	440,889	-
MCAH - Maternal Child & Adolescent Health Title XIX	93.778	2018-27	202,059	-
Medical Assistance Program (Medi-Cal Administration)	93.778		1,769,675	-
Subtotal Cluster CFDA 93.778 (Part 1)			2,412,623	-
AIDS Master Agreement - HIV Care Program	93.917	15-11065/18-10878	313,387	-
AIDS Master Agreement - HIV Supplemental Care Program	93.917	16-10851	129,235	-
AIDS Master Agreement - Minority AIDS Initiative HRSA Part B	93.917	15-11065/18-10878	28,888	-
AIDS Master Agreement - Prevention Program	93.917	18-10763	106,654	-
Subtotal Cluster CFDA 93.917			578,164	-
ACA-Personal Responsibility Education Program PREP	93.092	18-10238	213,008	-
Passed through the State Department of Public Health:				
Maternal Child & Adolescent Health (MCAH) Title V	93.994	2019-27	172,404	-
California Children's Service (CCS)	93.994		652,435	-
Health Care for Children in Foster Care (HCPCFC)	93.994		134,107	-
Psychotropic Medication Monitoring and Oversight (HCPCFC)	93.994		19,335	-
Subtotal			978,281	-
Public Health Emergency Preparedness	93.069	17-10174	312,371	-
Striving to Prevent Youth Violence Everyw here	93.136	6 NH28CE002396-03-03	309,412	-
Child Lead Poisoning Prevention Program (CLPPP)	93.197	17-10246	126,509	-
Immunization Assessment Program	93.268	17-10333	141,723	-
Hospital Preparedness Program (HPP)	93.889	17-10174	213,535	-
Assistance Program for Chronic Disease Prevention & Control	93.945	18-10906	16,087	-
Child Health Disability Prevention (CHDP)	93.991		135,551	-
Passed through the State Department of Mental Health:				
Federal Projects for Assistance in Transition from Homelessness (PATH) Grant	93.150	X06SM016005-19	96,295	-
Substance Abuse and Mental Health Services Administration (SAMHSA) Block Grant (includes Children's System of Care (CSOC) Grant)	93.958	SM010005-19	1,764,946	-
Passed through the State Department of Social Services:				
Temporary Assistance for Needy Families - Administration	93.558		21,267,617	-
Temporary Assistance for Needy Families - Assistance	93.558		7,437,536	-
Subtotal - TANF Cluster			28,705,153	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF MONTEREY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Refugee and Entrant Assistance - State Administered Programs - Assistance	93.566		4,616	-
Refugee and Entrant Assistance - State Administered Programs - Administration	93.566		396	-
Subtotal CFDA Number 93.566			5,012	-
Adoption and Legal Guardianship Incentive Payments	93.603		152,443	
Title IV-E Placement / Foster Care (Probation)	93.658		764,894	-
Group Home Visits (Probation)	93.658		364,557	-
Child Welfare Services - OIP (Probation)	93.658		32,608	-
Continuum of Care Reform (Probation)	93.658		76,620	-
Commercially Sexually Exploited Children (Probation)	93.658		2,663	-
Foster Care - Title IV-E (Administration)	93.658		4,785,438	-
Foster Care - Title IV-E (Assistance)	93.658		4,436,769	-
Subtotal CFDA Number 93.658			10,463,549	-
Adoption Assistance Program (Administration)	93.659		376,120	-
Adoption Assistance Program (Assistance)	93.659		5,025,212	-
Subtotal CFDA Number 93.659			5,401,332	-
Guardianship Assistance (Administration)	93.090		3,370	-
Guardianship Assistance (Assistance)	93.090		230,407	-
Subtotal CFDA Number 93.090			233,777	-
Medical Assistance Program - Adult Protective Services County Services Block Grant	93.778		919,716	-
Medical Assistance Program - Child Welfare Services IV-E	93.778		1,178,419	-
Medical Assistance Program - In-Home Supportive Services Public Authority - Administrative Costs	93.778		18,601,020	-
Subtotal CFDA Number 93.778 (Part 2)			20,699,155	-
Subtotal CFDA Number 93.778 (Total)			23,111,778	-
Social Services Block Grant	93.667		297,411	-
Medical Assistance Program - In-Home Supportive Services	93.667		2,271,510	-
Subtotal CFDA Number 93.667			2,568,921	-
Promoting Safe and Stable Families	93.556		447,683	-
Community-Based Child Abuse Prevention Grants	93.590		22,878	-
Child Welfare Services – State Grants	93.645		952,888	-
Chafee Foster Care Independence Program	93.674		179,961	-
Total U.S. Department of Health and Human Services			89,773,056	1,841,736
<u>U.S. Department of Homeland Security</u>				
Passed through Governor's Office of Emergency Services (Cal OES):				
Urban Areas Security Initiative - Homeland Grant	97.007		125,000	-
Emergency Management Performance Grant 2019	97.042		214,907	-
Homeland Security Grant 2019	97.067		517,020	-
Operation Stonegarden	97.067	2017-0083/2018-0054	99,315	-
Subtotal			616,335	-
Total U.S. Department of Homeland Security			956,242	-
Total Expenditures of Federal Awards			\$ 131,817,153	\$ 5,362,518

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF MONTEREY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the County of Monterey 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 CATALOG OF FEDERAL DOMESTIC (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2020 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier and the word “unknown” were used.

NOTE 4 INDIRECT COST RATE

The County did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414. Uniform Guidance §200.510(6) requires the County to disclose whether or not it elected to use the 10 percent de minimis cost rate that §200.414(f) allows for nonfederal entities that have never received a negotiated indirect cost rate.

NOTE 5 LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2020 as follows:

<u>CFDA</u>	<u>Federal Program</u>	<u>Outstanding Loans</u>	<u>Loans with Continuing Compliance Requirements</u>
11.307	EDA Countywide Revolving Loan Fund	1,222,896	1,222,896
14.228	Community Development Block Grant/States Program	3,189,172	3,232,510
14.239	Home Investment Partnership Program Program	8,247,886	8,556,501

COUNTY OF MONTEREY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2020

NOTE 6 PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the schedule of expenditures of federal awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

NOTE 7 DEPARTMENT OF AGING FEDERAL/STATE SHARE

The California Department of Aging (CDA) requires agencies that receive CDA funding to display state-funded expenditures discretely along with federal expenditures. The County expended the following state and federal amounts under these grants:

CFDA Number	Contract Number	Federal Expenditures	State Expenditures
10.561	CF-1920-32	\$ 12,957	\$ -
10.561	SP-1718-32	29,041	-
10.561	SP-1819-32	50,622	-
93.041	AP-1819-32	5,318	-
93.042	AP-1819-32	33,749	-
93.043	AP-1819-32	31,590	-
93.044	AP-1819-32	426,567	109,997
93.045	AP-1819-32	361,370	94,653
93.045		21,973	-
93.045	AP-1819-32	496,098	176,486
93.052	AP-1819-32	219,322	-
93.053	AP-1819-32	101,373	-
n/a	AP-1819-32	-	41,050
n/a	FP-1920-32	-	3,557
93.324	HI-1718-32	89,713	-
n/a	HI-1718-32	-	125,092
n/a	HI-1718-32	-	62,392
93.071	MI-1819-32	7,201	-
93.071	MI-1819-32	21,570	-
	Total	<u>\$ 1,908,464</u>	<u>\$ 613,227</u>

**COUNTY OF MONTEREY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes x no
 - Significant deficiency(ies) identified? yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes x no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Community Development Black Grant Program
17.258	WIOA Program
93.224	Health Center Program
93.558	Temporary Assistance For Needy Families
93.778	Medical Assistance Program

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

Auditee qualified as low-risk auditee? yes x no

**COUNTY OF MONTEREY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

2020 – 001

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During our audit, we were notified by the County that it had restated beginning net position by \$58.6 million to account for capital asset contributions that were not properly capitalized in previous years.

We also noted one building worth \$11.8 million that was not properly capitalized in the current year.

Criteria or specific requirement: All capital expenditures meeting the criteria and capitalization threshold formally established by the County should be capitalized rather than expensed in the County's government-wide financial statements. The County should also update its capital asset records to reflect all capital asset acquisitions, including construction in progress.

Context: The County did not record 27 plots of land that were donated to them over the course of 10 years.

The county also unintentionally omitted the purchase of a new building in the current year during their capitalization process.

Effect: Total capital assets were understated by \$70 million at June 30, 2020.

Cause: During the time the county received these plots of land, the property management agency was not asked to provide information on the contributions. The donations therefore never reached the Auditor-Controller's Office and were not recorded or noted in their capital asset worksheets.

During the capitalization process at the end of the year, the county analyzes its designated capital outlay accounts to report those costs as capital asset acquisitions or expenses based on detailed capital project/asset listings provided by the department. The department who acquired the building did not assign a project number to the newly acquired building resulting in the building not being captured in the capitalization process.

Repeat Finding: The audit finding is not a repeat finding from the prior year.

Recommendation: We recommend the County implement procedures to require the property management team, or any department, to notify the auditor-controller's office of any capital contributions made during the year.

We also recommend the County review large amounts recorded to designated capital outlay accounts to ensure amounts are properly capitalized or expensed at year-end.

Views of responsible officials: There is no disagreement with the audit finding.

COUNTY OF MONTEREY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**COUNTY OF MONTEREY
SUPPLEMENTARY SCHEDULE OF THE DEPARTMENT OF
COMMUNITY SERVICES AND DEVELOPMENT
STATEMENT OF REVENUES AND EXPENDITURES
(SEE INDEPENDENT AUDITORS' REPORT, PAGES 1 AND 2)**

**CSD Contract No. 19F-4027 (CSBG – \$500,384)
For the Period January 1, 2019 through December 31, 2019**

	January 1, 2019 through June 30, 2019	July 1, 2019 through December 31, 2019	Total Reported	Total Budget
REVENUE				
Grant Revenue	\$ 125,461	\$ 373,684	\$ 499,145	\$ 500,384
Interest Income	-	3,164	3,164	-
Interest Income - Reimbursed to State	-	(3,164)	(3,164)	-
Total Revenue	<u>125,461</u>	<u>373,684</u>	<u>499,145</u>	<u>500,384</u>
EXPENDITURES				
Administration:				
Salaries and Wages	38,279	54,554	92,833	95,702
Fringe Benefits	18,383	25,798	44,181	34,762
Operating Expenses	18,969	(10,192)	8,777	13,363
Other Costs	10,976	23,617	34,593	36,557
Subtotal Administrative Costs	<u>86,607</u>	<u>93,777</u>	<u>180,384</u>	<u>180,384</u>
Program Costs:				
Subcontractor services	<u>163,316</u>	<u>156,684</u>	<u>320,000</u>	<u>320,000</u>
Subtotal Program Costs	<u>163,316</u>	<u>156,684</u>	<u>320,000</u>	<u>320,000</u>
Total Expenditures	<u>249,923</u>	<u>250,461</u>	<u>\$ 500,384</u>	<u>500,384</u>
REVENUE OVER (UNDER) COSTS	<u>\$ (124,462)</u>	<u>\$ 123,223</u>	<u>\$ (1,239)</u>	<u>\$ -</u>

**COUNTY OF MONTEREY
SUPPLEMENTARY SCHEDULE OF THE DEPARTMENT OF
COMMUNITY SERVICES AND DEVELOPMENT
STATEMENT OF REVENUES AND EXPENDITURES
(SEE INDEPENDENT AUDITORS' REPORT, PAGES 1 AND 2)**

**CSD Contract No. 19F-4429 (CSBG Discretionary – \$30,000)
For the Period June 1, 2019 through May 31, 2020**

	June 1, 2019 through June 30, 2019	July 1, 2019 through May 31, 2020	Total Reported	Total Budget
REVENUE				
Grant Revenue	\$ -	\$ 30,000	\$ 30,000	\$ 30,000
Total Revenue	-	30,000	30,000	30,000
EXPENDITURES				
Administration:				
Other Costs	235	996	1,231	1,231
Subtotal Administrative Costs	235	996	1,231	1,231
Program Costs:				
Salaries and wages	962	3,453	4,415	4,415
Fringe benefits	228	1,712	1,940	1,940
Subcontractor services	-	22,414	22,414	22,414
Subtotal Program Costs	1,190	27,579	28,769	28,769
Total Expenditures	1,425	28,575	\$ 30,000	30,000
REVENUE OVER (UNDER) COSTS	\$ (1,425)	\$ 1,425		\$ -

**COUNTY OF MONTEREY
SUPPLEMENTARY SCHEDULE OF THE DEPARTMENT OF
COMMUNITY SERVICES AND DEVELOPMENT
STATEMENT OF REVENUES AND EXPENDITURES
(SEE INDEPENDENT AUDITORS' REPORT, PAGES 1 AND 2)**

**CSD Contract No. 20F-3027 (CSBG – \$515,841)
For the Period January 1, 2020 through May 31, 2020**

	January 1, 2020 through June 30, 2020	Total Reported	Total Budget
REVENUE			
Grant Revenue	\$ 333,350	\$ 333,350	\$ 515,841
Total Revenue	<u>333,350</u>	<u>333,350</u>	<u>515,841</u>
EXPENDITURES			
Administration:			
Salaries and Wages	30,677	30,677	93,402
Fringe Benefits	17,637	17,637	31,348
Operating Expenses	3,691	3,691	13,730
Other Costs	12,430	12,430	42,202
Subtotal Administrative Costs	<u>64,435</u>	<u>64,435</u>	<u>180,682</u>
Program Costs:			
Subcontractor services	186,885	186,885	335,159
Subtotal Program Costs	<u>186,885</u>	<u>186,885</u>	<u>335,159</u>
Total Expenditures	<u>251,320</u>	<u>\$ 251,320</u>	<u>515,841</u>
REVENUE OVER (UNDER) COSTS	<u>\$ 82,030</u>		<u>\$ -</u>