

COUNTY OF MONTEREY
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2013

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COUNTY OF MONTEREY

Single Audit Report
For the Year Ended June 30, 2013

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**INDEPENDENT AUDITOR'S 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 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 (County), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 19, 2013. Other auditors audited the financial statements of the Natividad Medical Center, an enterprise fund, which represents 97 percent and 96 percent, respectively, of the assets and revenues of the business-type funds. We also did not audit the Monterey County Children and Family 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, 2013. This report does not include the results of the 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) to determine the 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. 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.

To the Honorable Board of Supervisors
County of Monterey

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 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 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.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California
December 19, 2013



**INDEPENDENT AUDITOR'S 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 OMB CIRCULAR A-133**

To the Honorable Board of Supervisors
County of Monterey
Salinas, California

Report on Compliance for Each Major Federal Program

We have audited the County of Monterey's (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 the 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, 2013.

To the Honorable Board of Supervisors
County of Monterey

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the accompanying 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, 2013, and have issued our report thereon dated December 19, 2013, which contained an unmodified opinion on those financial statements. Other auditors audited the financial statements of the Natividad Medical Center, an enterprise fund, which represents 97 percent and 96 percent, respectively, of the assets and revenues of the business-type funds. We also did not audit the Monterey County Children and Family 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, 2013. This report does not include the results of the auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those 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 OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

To the Honorable Board of Supervisors
County of Monterey

In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California
February 24, 2014, except for
the Schedule of Expenditures
of Federal Awards as to which
the date is December 19, 2013

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COUNTY OF MONTEREY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Awards/ Expenditures
<u>U.S. Department of Agriculture</u>			
Direct Program:			
Very Low to Moderate Income Housing Loans - Outstanding Loan Balance	10.410	--	\$ 48,405
Subtotal Direct			<u>48,405</u>
Passed through State Department of Food and Agriculture:			
Plant and Animal Disease, Pest Control, and Animal Care			
Glassy Winged Sharpshooter (Pierce's Disease Control Prog)	10.025	12-8506-0484-CA	191,892
Federal Trapping (Pest Detection/Trapping)	10.025	11-8520-0934-CA 11-8520-1317-CA	183,201
European Grapevine Moth	10.025	12-8506-1317-CA 11-8520-1211-CA	193,036
Asian Citrus Psyllid	10.025	12-8506-1211-CA	62,827
Sudden Oak Death	10.025	11-8523-0572-CA 11-8520-1164-CA	24,805
Light Brown Apple Moth - Trapping	10.025	12-8520-1164-CA	29,111
Subtotal CFDA Number 10.025			<u>684,872</u>
Passed through State Department of Public Health:			
Nutrition Network Local Incentive Award	10.561	10-10158	587,631
Regional Nutrition Network	10.561	11-10234	684,610
Special Supplemental Nutrition Program for Women, Infants, and Children - Admin. Costs	10.557	08-85450	3,703,368
Subtotal Pass Through			<u>4,975,609</u>
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	--	8,315,399
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - C-IV Claims	10.561	--	46,027
Subtotal Pass Through			<u>8,361,426</u>
Passed through State Department of Education:			
School Nutrition Program	10.560	--	211,763
Total U.S. Department of Agriculture			<u>\$ 14,282,075</u>
<u>U.S. Department of Commerce</u>			
Direct Programs:			
EDA Rural Revolving Loan Fund	11.307	EDAR	85,967
EDA Countywide Revolving Loan Fund	11.307	EDAC	19,817
EDA Rural Revolving Loan Fund - Outstanding Loan Balance	11.307	--	199,503
EDA Countywide Revolving Loan Fund - Outstanding Loan Balance	11.307	--	563,094
Subtotal CFDA Number 11.307			<u>868,380</u>
Total U.S. Department of Commerce			<u>\$ 868,380</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF MONTEREY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Awards/ Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Passed through the State Department of Housing and Community Development:			
Community Development Block Grant/State's Program	14.228	CDBG PI	\$ 6,699
Community Development Block Grant/State's Program	14.228	PI - Chualar PI Waiver	568
Community Development Block Grant/State's Program	14.228	12-CDBG-8401	6,731
Community Development Block Grant/State's Program	14.228	NSP 1 PI	870,055
Community Development Block Grant/State's Program	14.228	B-11-UN-06-0010	831,508
Community Development Block Grant/State's Program- Outstanding Loan Balance	14.228	--	<u>2,654,068</u>
Subtotal CFDA Number 14.228			<u>4,369,629</u>
 ARRA - Homeless Prevention and Rapid Re-Housing Program	 14.257	 --	 <u>111,202</u>
 HOME Investment Partnerships Program	 14.239	 HOME PI	 74,663
HOME Investment Partnerships Program - Outstanding Loan Balance	14.239	--	<u>8,888,040</u>
Subtotal CFDA Number 14.239			<u>8,962,703</u>
 Total U.S. Department of Housing and Urban Development			 <u>\$ 13,443,534</u>
<u>U.S. Department of Interior</u>			
Direct Program:			
Distribution of Receipts to State and Local Governments	15.227	--	<u>5,503</u>
Subtotal Direct			<u>5,503</u>
 Total U.S. Department of Interior			 <u>\$ 5,503</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Equitable Sharing Agreement - Asset Forfeiture	16.922	--	<u>31,016</u>
Subtotal CFDA Number 16.922			<u>31,016</u>
 Adult Drug Court Discretionary Grant Program	 16.585	 2010-DC-BX-0094	 73,779
Adult Drug Court Treatment	16.585	2010-DC-BX-0094	2,581
Subtotal CFDA Number 16.585			<u>76,360</u>
 Criminal Alien Assistance Program	 16.606	 --	 576,479
Southwest Border Initiative	16.607	--	37,923
U.S. Dept. of Justice Community Oriented Policing Services	16.710	2011UMWX0024	441,718
Southwest Border Prosecution Initiative Program	16.755	2010DWX09A04737	<u>6,969</u>
Subtotal			<u>1,063,089</u>
 Subtotal Direct Programs			 <u>1,170,465</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF MONTEREY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Awards/ Expenditures
<u>U.S. Department of Justice (continued)</u>			
Passed through California Emergency Management Agency:			
Victim Witness Assistance Program	16.575	VW12 31 0270	\$ 130,195
Underserved Victim Advocacy and Outreach Program	16.575	UV12 03 0270	145,525
Subtotal CFDA Number 16.575			<u>275,720</u>
 Probation Specialized Supervision Program	 16.588	 PU11020270/12030270	 <u>99,314</u>
Subtotal CFDA Number 16.588			<u>99,314</u>
 Anti-Drug Enforcement Program	 16.738	 DC10210270	 185,682
Marijuana Suppression Program	16.738	MS10010270	186,494
ARRA - Edward Byrne Memorial Justice Assistance Grant of 2009	16.803	ZA09010270	3,427
ARRA - Edward Byrne Memorial Justice Assistance Grant of 2009	16.803	ZM09010270	22,278
ARRA - Evidence Based Probation Supervision Program	16.804	ZP09010270	6,860
Subtotal JAG Cluster			<u>404,741</u>
Subtotal Pass-through			<u>779,775</u>
 Passed through State Department of Corrections and Rehabilitation:			
Juvenile Accountability Block Grant	16.523	CSA128-11	<u>33,411</u>
Total U.S. Department of Justice			<u>\$ 1,983,651</u>
 <u>U.S. Department of Labor</u>			
Passed through State Employment Development Department:			
WIA Title I Adult Formula - Program	17.258	202 k386308	1,465,183
WIA Title I Dislocated Worker Formula Grants	17.278	502 k386308	1,595,574
WIA Rapid Response 25% AADW	17.278	523 k178671	790,000
WIA Rapid Response 25% AADW	17.278	523 k282485	137,213
WIA Rapid Response 25% AADW	17.278	540 k282485	58,090
WIA Rapid Response 25% AADW	17.278	540 k2386308	90,249
WIA Rapid Response 25% AADW	17.278	541 k386308	123,935
WIA Rapid Response 25% AADW	17.278	541 k282485	174,271
WIA Title I Adult Formula - Program	17.258	201 k386308	128,554
WIA Title I Youth Formula - Activities	17.259	301 k386308	1,396,659
WIA Title I Dislocated Worker Formula Grants	17.278	501 k386308	286,624
Subtotal WIA Cluster			<u>6,246,352</u>
Total U.S. Department of Labor			<u>\$ 6,246,352</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF MONTEREY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Awards/ Expenditures
<u>U.S. Department of Transportation</u>			
Passed through Office of Traffic Safety:			
Alcohol & Drug Impaired Vertical Prosecution Program	20.601	AL 1393	\$ 121,480
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	HRRRL-5944(113)	2,415
Highway Planning and Construction	20.205	HRRRL-5944(114)	59,293
Highway Planning and Construction	20.205	HRRRL-5944(092)	287,820
Highway Planning and Construction	20.205	HRRRL-5944(109)	957,097
Highway Planning and Construction	20.205	STPLZ-5944(041)	68,277
Highway Planning and Construction	20.205	STPLZ-5944(040)	99,691
Highway Planning and Construction	20.205	BRLOZB-5944 (035)	50,890
Highway Planning and Construction	20.205	BRLS-5944(068)	228,396
Highway Planning and Construction	20.205	HP21I-5944(097)	215,514
Highway Planning and Construction	20.205	RPSTPLE-5944(106)	7,905
Highway Planning and Construction	20.205	BHLO-5944(100)	3,670
Highway Planning and Construction	20.205	RPSTPLE-5944(104)	111,811
Highway Planning and Construction	20.205	BRLS-5944 (098)	17,649
		HPLU-5944(085)	
Highway Planning and Construction	20.205	DEMOHL 5944 - (112)	184,700
Highway Planning and Construction	20.205	BHLO5944-(099)	3,737
Highway Planning and Construction	20.205	BRLO-5944(010)	3,084,388
Highway Planning and Construction	20.205	BRLO-5944(102)	5,010
Highway Planning and Construction	20.205	BRLO-5944(103)	7,813
Subtotal CFDA Number 20.205			<u>5,396,076</u>
Total U.S. Department of Transportation			<u>\$ 5,517,556</u>
<u>U.S. Department of Energy</u>			
ARRA-Energy Efficiency and Conservation Block Grant Prog	81.128		<u>942,411</u>
Total U.S. Department of Energy			<u>\$ 942,411</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Aging:			
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1213-32	5,277
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1213-32	28,494
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	AP-1213-32	22,504
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	AP-1213-32	399,069
Special Programs for the Aging - Title III, Part C-1 - Nutrition Services	93.045	Title III, C-1 AP-1213-32	259,427
Special Programs for the Aging - Title III, Part C-2 - Nutrition Services	93.045	Title III, C-2 AP-1213-32	395,022

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF MONTEREY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Awards/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Aging (continued):			
National Family Caregiver Support	93.052	AP-1213-32	\$ 170,587
Nutrition Services Incentive Program	93.053	AP-1213-32	197,902
Centers for Medicare and Medicaid Services (CMS)			
Research, Demonstrations and Evaluations	93.779	HI-1213-32	96,690
Subtotal Pass Through			<u>1,574,972</u>
Passed through State Department of Alcohol and Drug Programs:			
Block Grants for Prevention and Treatment of			
Substance Abuse (SAPT)	93.959	--	2,374,555
Subtotal Pass Through			<u>2,374,555</u>
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	--	<u>6,969,832</u>
Passed through State Department of Community Services and Development:			
Community Services Block Grant	93.569	12F-4227	301,678
Community Services Block Grant	93.569	13F-3027	175,562
Subtotal CSBG Cluster			<u>477,240</u>
Passed through State Department of Health Care Services:			
Targeted Case Management/Medi-Cal Administrative			
Activities	93.778	07-65030 & 27-0712	1,450,518
Medical Assistance Program (Medi-Cal Administration)	93.778	--	9,781,125
Medical Assistance Program - C-IV Claims	93.778	--	20,793
Subtotal Pass Through			<u>11,252,436</u>
Passed through State Department of Public Health:			
AIDS Master Agreement - HIV Care Program	93.917	10-95274	238,553
AIDS Master Agreement - Minority AIDS Initiative			
HRSA Part B	93.917	10-95274	26,000
AIDS Master Agreement - Prevention Program	93.917	10-95274	124,025
Subtotal CFDA Number 93.917			<u>388,578</u>
Maternal Child & Adolescent Health (MCAH)	93.994	201127	89,908
California Children's Service (CCS)	93.994	--	1,867,066
Subtotal CFDA Number 93.994			<u>1,956,974</u>
Public Health Emergency Preparedness	93.069	EPO-11-27	322,100
Striving to Prevent Youth Violence Everywhere	93.136	ICE002072A	210,656
Child Lead Poisoning Prevention Program (CLPPP)	93.197	08-85073	97,759
Immunization Assessment Program	93.268	10-95387	142,814
Hospital Preparedness Program (HPP)	93.889	EPO HPP 11-27	159,421
Child Health Disability Prevention (CHDP)	93.991	--	584,962
Subtotal			<u>1,517,712</u>
Subtotal Pass Through			<u>3,863,264</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF MONTEREY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Awards/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through Secretary of State:			
Voting Access for Individuals with Disabilities	93.617	10G26103	\$ 162,917
Passed through the State Department of Mental Health:			
Federal McKinney Projects for Assistance in Transition from Homelessness (PATH) Grant	93.150	2X06SM016005-12	97,833
Substance Abuse & Mental Health Services Administration (SAMHSA) - Juvenile Court	93.243	5H79TI022902-03	201,607
Adult Drug Court Treatment (SAMHSA-CSAT) Substance Abuse and Mental Health Services Administration (SAMHSA) Block Grant (includes Children's System of Care (CSOC) Grant)	93.243	5H79TI023415-03	221,938
	93.958	1U79SM56058	1,281,346
Subtotal Pass Through			<u>1,802,724</u>
Passed through State Department of Social Services:			
Temporary Assistance for Needy Families:			
Temporary Assistance for Needy Families - Social Services - Administration	93.558	--	17,362,010
Temporary Assistance for Needy Families - Social Services - C-IV Claims	93.558	--	31,383
Temporary Assistance for Needy Families - Social Services - Assistance	93.558	--	9,088,363
Subtotal CFDA Number 93.558			<u>26,481,756</u>
Refugee and Entrant Assistance - State Administered Programs - Assistance	93.566	--	31,104
Refugee and Entrant Assistance (Assistance) Administered Programs	93.566	--	4,510
Refugee and Entrant Assistance - State Administered Programs - Administration	93.566	--	23
Subtotal CFDA Number 93.566			<u>35,637</u>
Foster Care – Title IV-E:			
Title IV-E Placement / Foster Care (Probation) Group Home Visits (Probation)	93.658	--	3,352,344
Child Welfare Services - OIP (Probation)	93.658	--	359,471
Foster Care - Title IV-E (Public Agency)	93.658	--	48,734
Foster Care - Title IV-E (Administration)	93.658	--	60,542
Foster Care - Title IV-E (Assistance)	93.658	--	3,161,140
ARRA - Foster Care - Title IV-E (Assistance)	93.658	--	3,191,460
Subtotal CFDA Number 93.658			<u>(216)</u> <u>10,173,475</u>
Adoption Assistance Program:			
Adoption Assistance Program (Administration)	93.659	--	778,725
Adoption Assistance Program (Assistance)	93.659	--	3,330,511
Subtotal CFDA Number 93.659			<u>4,109,236</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF MONTEREY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Awards/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Social Services (continued):			
Medical Assistance Program - Adult Protective Services County Services Block Grant	93.778	--	\$ 560,145
Medical Assistance Program - Child Welfare Services IV-E	93.778	--	852,966
Medical Assistance Program - In-Home Supportive Services Public Authority - Administrative Costs	93.778	--	<u>1,550,529</u>
Subtotal			<u>2,963,640</u>
Promoting Safe and Stable Families	93.556	--	<u>360,082</u>
Social Services Block Grant	93.667	--	767,775
Social Services Block Grant - In-Home Supportive Services (Administration)	93.667	--	<u>1,318,817</u>
Subtotal CFDA Number 93.667			<u>2,086,592</u>
Guardianship Assistance	93.090	--	54,864
Community-Based Child Abuse Prevention Grants	93.590	--	25,825
Child Welfare Services – State Grants	93.645	--	209,303
Chafee Foster Care Independence Program	93.674	--	<u>132,896</u>
Subtotal			<u>422,888</u>
Subtotal Pass Through			<u>46,633,306</u>
Total U.S. Department of Health and Human Services			<u>\$ 75,111,246</u>
<u>U.S. Social Security Administration</u>			
Direct Program:			
Social Security Incentive Program	96.006	--	<u>9,200</u>
Total U.S. Social Security Administration			<u>\$ 9,200</u>
<u>U.S. Department of Homeland Security</u>			
Passed through California Emergency Management Agency:			
Homeland Security Grant 2012	97.073	--	368,431
Emergency Management Performance Grant 2012	97.042	--	<u>224,564</u>
Subtotal Pass Through			<u>592,995</u>
Severe Repetitive Loss Program	97.078	2010-BF-TO-0020 CAL EMA 053-00000	<u>190,000</u>
Subtotal Pass Through			<u>190,000</u>
Total U.S. Department of Homeland Security			<u>\$ 782,995</u>
Total Expenditures of Federal Awards			<u>\$ 119,192,903</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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COUNTY OF MONTEREY

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

NOTE 1: REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal awards programs of the County of Monterey (County). The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule. Expenditures of funds received from the American Recovery and Reinvestment Act (ARRA) are separately identified in the SEFA.

NOTE 2: BASIS OF ACCOUNTING

The accompanying SEFA is prepared on an accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The amounts reported in the accompanying SEFA agree, in all material respects, to amounts reported within the County's basic financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

NOTE 4: SUBRECIPIENTS

Of the federal expenditures presented in the SEFA, the County of Monterey provided federal awards to subrecipients as follows:

Federal CFDA	Program Title	Amount Provided to Subrecipients
93.041	Special Programs for the Aging – Title VII, Chapter 3 – Programs for Prevention of Elder Abuse, Neglect and Exploitation	\$ 5,277
93.042	Special Programs for the Aging – Title VII, Chapter 2 – Long Term Care Ombudsman Services for Older Individuals	28,494
93.043	Special Programs for the Aging – Title III, Part D – Disease Prevention and Health Promotion Services	8,789
93.044	Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers	268,938
93.045	Special Programs for the Aging – Title III, Part C – 1 Nutrition Services	182,813
93.045	Special Programs for the Aging – Title III, Part C – 2 Nutrition Services	366,448
93.052	National Family Caregiver Support	151,225
93.053	Nutrition Services Incentive Program	197,902
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations (HCFA – SHIP Funds)	87,982
93.958	Substance Abuse & Mental Health Services Administration (SAMHSA)	93,279
93.959	Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	<u>1,854,810</u>
	Total	<u>\$ 3,245,957</u>

COUNTY OF MONTEREY

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

NOTE 5: LOANS WITH CONTINUING COMPLIANCE REQUIREMENT

Outstanding federally-funded program loans, with a continuing compliance requirement, carried the following balances as of July 1, 2012 and June 30, 2013:

Federal CFDA#	Program Title	Amount Outstanding	
		July 1, 2012	June 30, 2013
10.410	Very Low to Moderate Income Housing	\$ 48,405	\$ 48,405
11.307	EDA Rural Revolving Loan Fund	208,561	285,470
11.307	EDA Countywide Revolving Loan Fund	954,800	582,911
14.228	Community Development Block Grants/States Program	1,536,950	2,654,068
14.239	HOME Investment Partnerships Program	8,913,185	8,888,040

NOTE 6: PROGRAM CLUSTERS

Federal programs, which must be audited together as a program cluster, include the following:

Federal CFDA	Program Title	Federal Expenditures
<u>WIA Cluster</u>		
17.258	WIA Title I Adult Formula	\$ 1,593,737
17.259	WIA Title I Youth Formula	1,396,659
17.278	WIA Title I Dislocated Worker Formula Grant	<u>3,255,956</u>
	Total	<u>\$ 6,246,352</u>

Aging Cluster

93.044	Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers	\$ 399,069
93.045	Special Programs for the Aging – Title III, Part C-1 – Nutrition Services	259,427
93.045	Special Programs for the Aging – Title III, Part C-2 – Nutrition Services	395,022
93.053	Nutrition Services Incentive Program	<u>197,902</u>
	Total	<u>\$ 1,251,420</u>

JAG Cluster

16.738	Anti-Drug Enforcement Program	\$ 185,682
16.738	Marijuana Suppression Program	186,494
16.803	ARRA – Edward Byrne Memorial Justice Assistance Grant of 2009	3,427
16.803	ARRA – Edward Byrne Memorial Justice Assistance Grant of 2009	22,278
16.804	ARRA – Evidence Based Probation Supervision Program	<u>6,860</u>
	Total	<u>\$ 404,741</u>

COUNTY OF MONTEREY

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

NOTE 7: PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the SEFA 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 8: TOTAL FEDERAL AWARDS EXPENDED BY CFDA NUMBER

When there is more than one program under a single CFDA number, the SEFA presents totals of all programs under the one CFDA number. Occasionally, however, this total could not be conveniently displayed because all programs under one CFDA number were not contiguous. When this occurred, this total is not shown in the Schedule, but instead is provided below:

<u>CFDA No.</u>	<u>Total Federal Expenditures</u>
10.561	\$ 9,633,667
16.738	\$ 372,176
16.803	\$ 25,705
93.045	\$ 654,449
93.243	\$ 423,545
93.778	\$ 14,216,076
17.258	\$ 1,593,737
17.278	\$ 3,255,956

NOTE 9: DEPARTMENT OF AGING FEDERAL/STATE SHARE

The California Department of Aging (CDA) requires agencies who 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:

<u>CFDA</u>	<u>Grant No.</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
93.041	AP-1213-32	\$ 5,277	\$ --
93.042	AP-1213-32	28,494	--
93.043	AP-1213-32	22,504	--
93.044	AP-1213-32	399,069	--
93.045	AP-1213-32-Title III, C-1	259,427	41,498
93.045	AP-1213-32-Title III, C-2	395,022	57,299
93.052	AP-1213-32	170,587	--
93.053	AP-1213-32	197,902	--
N/A	AP-1213-32	--	29,147
93.779	HI-1213-32	96,690	--
N/A	HI-1213-32	--	<u>167,796</u>
	Total	<u>\$ 1,574,972</u>	<u>\$ 295,740</u>

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COUNTY OF MONTEREY

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Section 1

Financial Statements

Summary of Auditor's Results

- | | |
|---|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified | No |
| b. Significant deficiencies identified not considered to be material weaknesses | None Reported |
| 3. Noncompliance material to financial statements noted | No |

Federal Awards

- | | |
|---|---------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified | No |
| b. Significant deficiencies identified not considered to be material weaknesses | None Reported |
| 2. Type of auditor's report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | No |
| 4. Identification of major programs: | |

CFDA Number

Name of Federal Program

10.557
20.205
93.558

Special Supplemental Nutrition
Program for Women, Infants, and Children
Highway Planning and Construction
Temporary Assistance for Needy Families

- | | |
|---|-------------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$3,000,000 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | Yes |

COUNTY OF MONTEREY

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Section 2

Financial Statement Findings

None Reported

Section 3

Federal Award Findings and Questioned Costs

None Reported

COUNTY OF MONTEREY

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2013

None reported

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**SUPPLEMENTARY SCHEDULES
OF
THE CALIFORNIA EMERGENCY
MANAGEMENT AGENCY
AND
THE DEPARTMENT OF CORRECTIONS
AND REHABILITATION PROGRAMS
GRANT EXPENDITURES**

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COUNTY OF MONTEREY

Schedule of the California Emergency Management Agency
and the Department of Corrections and Rehabilitation Grants Expenditures
For the Year Ended June 30, 2013

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2012	For the Year Ended June 30, 2013	Cumulative As of June 30, 2013	Federal Share	State Share	County Share
Grant Name; Contract #:	Victim Witness Assistance Program VW12 31 0270					
Personal services	\$ 148,455	\$ 129,379	\$ 277,834	\$ 129,379	\$ --	\$ --
Operating expenses	--	816	816	816	--	--
Totals	<u>\$ 148,455</u>	<u>\$ 130,195</u>	<u>\$ 278,650</u>	<u>\$ 130,195</u>	<u>\$ --</u>	<u>\$ --</u>
Grant Name; Contract #:	Underserved Victim Advocacy & Outreach Program UV12 03 0270					
Personal services	\$ 100,000	\$ 145,339	\$ 245,339	\$ 145,339	\$ --	\$ --
Operating expenses	--	186	186	186	--	--
Totals	<u>\$ 100,000</u>	<u>\$ 145,525</u>	<u>\$ 245,525</u>	<u>\$ 145,525</u>	<u>\$ --</u>	<u>\$ --</u>

COUNTY OF MONTEREY

Schedule of the California Emergency Management Agency
and the Department of Corrections and Rehabilitation Grants Expenditures
For the Year Ended June 30, 2013

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2012	For the Year Ended June 30, 2013	Cumulative As of June 30, 2013	Federal Share	State Share	County Share
Juvenile Accountability Block Grant						
Contract #:CSA128-11						
Personal services	\$ 46,862	\$ 37,123	\$ 83,985	\$ 33,411	\$ --	\$ 3,712
Totals	<u>\$ 46,862</u>	<u>\$ 37,123</u>	<u>\$ 83,985</u>	<u>\$ 33,411</u>	<u>\$ --</u>	<u>\$ 3,712</u>
ARRA - Evidence Based Probation Supervision Program						
Contract#ZP-09010270						
Personal services	\$ 153,493	\$ 6,860	\$ 160,353	\$ 6,860	\$ --	\$ --
Operating expenses	4,748	--	4,748	--	--	--
Totals	<u>\$ 158,241</u>	<u>\$ 6,860</u>	<u>\$ 165,101</u>	<u>\$ 6,860</u>	<u>\$ --</u>	<u>\$ --</u>
Probation Specialized Supervision Program						
Contract#PU11020270/12030270						
Personal services	\$ 129,399	\$ 129,349	\$ 258,748	\$ 99,167	\$ --	\$ 30,182
Operating expenses	6,773	3,929	10,702	147	--	3,782
Totals	<u>\$ 136,172</u>	<u>\$ 133,278</u>	<u>\$ 269,450</u>	<u>\$ 99,314</u>	<u>\$ --</u>	<u>\$ 33,964</u>

COUNTY OF MONTEREY

Schedule of the California Emergency Management Agency
and the Department of Corrections and Rehabilitation Grants Expenditures
For the Year Ended June 30, 2013

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2012	For the Year Ended June 30, 2013	Cumulative As of June 30, 2013	Federal Share	State Share	County Share
Anti-Drug Enforcement Program - DC10210270						
Personal services	\$ 670,419	\$ 151,153	\$ 821,572	\$ 151,153	\$ --	\$ --
Operating expenses	119,899	34,529	154,428	34,529	--	--
Equipment	38,500	--	38,500	--	--	--
Totals	<u>\$ 828,818</u>	<u>\$ 185,682</u>	<u>\$ 1,014,500</u>	<u>\$ 185,682</u>	<u>\$ --</u>	<u>\$ --</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant of 2009 - ZA09010270						
Personal services	\$ 20,493	\$ 3,427	\$ 23,920	\$ 3,427	\$ --	\$ --
Operating expenses	312,203	--	312,203	--	--	--
Totals	<u>\$ 332,696</u>	<u>\$ 3,427</u>	<u>\$ 336,123</u>	<u>\$ 3,427</u>	<u>\$ --</u>	<u>\$ --</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant of 2009 - ZM09010270						
Personal services	\$ 20,862	\$ 17,910	\$ 38,772	\$ 17,910	\$ --	\$ --
Operating expenses	4,972	4,368	9,340	4,368	--	--
Totals	<u>\$ 25,834</u>	<u>\$ 22,278</u>	<u>\$ 48,112</u>	<u>\$ 22,278</u>	<u>\$ --</u>	<u>\$ --</u>
Marijuana Supression Program - MS10010270						
Personal services	\$ 496,201	\$ 177,778	\$ 673,979	\$ 177,778	\$ --	\$ --
Operating expenses	9,124	8,716	17,840	8,716	--	--
Totals	<u>\$ 505,325</u>	<u>\$ 186,494</u>	<u>\$ 691,819</u>	<u>\$ 186,494</u>	<u>\$ --</u>	<u>\$ --</u>

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**SUPPLEMENTARY SCHEDULES
OF THE DEPARTMENT
OF
COMMUNITY SERVICES
AND DEVELOPMENT
GRANT REVENUES AND EXPENDITURES**

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COUNTY OF MONTEREY

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 12F-4227 (CSBG - \$472,007)
 For The Period January 1, 2012 through December 31, 2012

	January 1, 2012 through <u>June 30, 2012</u>	July 1, 2012 through <u>December 31, 2012</u>	<u>Totals</u>
Revenue			
Grant revenue	\$ 288,800	\$ 121,328	\$ 410,128
Interest income	<u>481</u>	<u>201</u>	<u>682</u>
Total Revenue	<u>\$ 289,281</u>	<u>\$ 121,529</u>	<u>\$ 410,810</u>
Expenditures			
Administrative Costs:			
Salaries and wages	34,230	39,191	73,421
Fringe benefits	13,903	17,884	31,787
Operating Expenses	2,321	991	3,312
Other costs	<u>28,228</u>	<u>21,552</u>	<u>49,780</u>
Subtotal Administrative Costs	<u>78,682</u>	<u>79,618</u>	<u>158,300</u>
Program Costs:			
Subcontractor Services	<u>92,329</u>	<u>222,060</u>	<u>314,389</u>
Subtotal Program Costs	<u>92,329</u>	<u>222,060</u>	<u>314,389</u>
Total Expenditures	<u>\$ 171,011</u>	<u>\$ 301,678</u>	<u>\$ 472,689</u>

COUNTY OF MONTEREY

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 13F-3027 (CSBG - \$459,218)
 For The Period January 1, 2013 through December 31, 2013

	January 1, 2013 through June 30, 2013	July 1, 2013 through December 31, 2013	Totals
Revenue			
Grant revenue	\$ 113,304	\$ --	\$ 113,304
Interest income	250	--	250
	<u> </u>	<u> </u>	<u> </u>
Total Revenue	<u>\$ 113,554</u>	<u>\$ --</u>	<u>\$ 113,554</u>
Expenditures			
Administrative Costs:			
Salaries and wages	45,282	--	45,282
Fringe benefits	17,895	--	17,895
Operating Expenses	2,520	--	2,520
Other costs	22,947	--	22,947
Subtotal Administrative Costs	<u>88,644</u>	<u>--</u>	<u>88,644</u>
Program Costs:			
Subcontractor Services	<u>86,918</u>	<u>--</u>	<u>86,918</u>
Subtotal Program Costs	<u>86,918</u>	<u>--</u>	<u>86,918</u>
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>\$ 175,562</u>	<u>\$ --</u>	<u>\$ 175,562</u>