

COUNTY OF SAN BENITO
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2019



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**COUNTY OF SAN BENITO
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YEAR ENDED JUNE 30, 2019**

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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

The Honorable Board of Supervisors
County of San Benito
Hollister, 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 San Benito (the County), as of and for the year ended June 30, 2019, 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 6, 2020. Our audit includes a reference to other auditors who audited the financial statements of First 5 San Benito, a discretely presented component unit, as described in our report on the County's financial statements. This report does not include the results of the other auditor's 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 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 entity'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.

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 County'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 6, 2020



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 San Benito
Hollister, California

Report on Compliance for Each Major Federal Program

We have audited the County of San Benito's (the County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2019. 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.

The County's basic financial statements include the operations of the First 5 San Benito for the year ended June 30, 2019, a discretely presented component unit which may have received federal awards, and which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2019. Our audit described below did not include the operations of this entity. Other auditors were engaged to perform the audit of the First 5 San Benito, if required, in accordance with Uniform Guidance.

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.

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 the audit 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). 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 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, 2019.

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

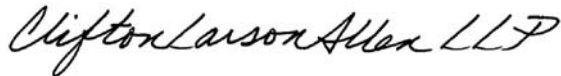
We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2019, and have issued our report thereon dated March 6, 2020, that contained an unmodified opinion on those financial statements. We did not audit the financial statements of First 5 San Benito, a discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for First 5 San Benito, is 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

The Honorable Board of Supervisors
County of San Benito

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

Other Matters

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
March 27, 2020

**COUNTY OF SAN BENITO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Agriculture</u>				
Passed through State Department of Food and Agriculture:				
Asian Citrus Psyllid (ACP)	10.025	17-0428-006-SF	\$ 8,703	\$ -
Asian Citrus Psyllid (ACP)	10.025	18-0293-011-SF	35,336	-
Pierce's Disease/GWSS	10.025	17-0453-031-SF	12,965	-
Light Brown Apple Moth	10.025	18-0299-036-SF	8,428	-
Pest Detection	10.025	18-0252	29,267	-
European Grapevine Moth	10.025	17-0549-007-SF	10,735	-
European Grapevine Moth	10.025	18-0619-015-SF	10,850	-
Subtotal - CFDA 10.025			116,284	-
Passed through the State Department of Public Health/County of Monterey:				
Supplemental Nutrition Assistance Program Education	10.561	A-12642	173,243	-
Passed through State Department of Social Services:				
State Administrative Matching Grants for the SNAP - CalFresh	10.561		1,052,300	-
State Administrative Matching Grants for the SNAP - CalFresh Employment & Training Support Services	10.561		2,264	-
State Administrative Matching Grants for the SNAP - CalFresh SSI Cash Out	10.561		36,597	-
Subtotal - SNAP Cluster			1,264,404	-
Total U.S. Department of Agriculture			\$ 1,380,688	\$ -
<u>U.S. Department of Housing and Urban Development</u>				
Direct Program:				
Helping Hands	14.267	CA1072L9T061705	248,147	197,844
Passed through State Department of Housing and Community Development:				
Community Development Block Grant/State Program	14.228	16-CDBG-11153	190,445	93,555
Subtotal - CDBG Cluster			190,445	93,555
Home Investment Partnership Program (outstanding loan)	14.239		1,622,819	-
Passed through City of San Jose:				
HOPWA	14.241	HOP-15-002B	33,574	-
Passed through City of Salinas:				
ESG	14.231	2017-2018	151,579	30,191
Total U.S. Department of Housing and Urban Development			\$ 2,246,564	\$ 321,590
<u>U.S. Department of Justice</u>				
Direct Programs:				
State Criminal Alien Assistance Program (SCAAP)	16.606	2019-AP-BX-0157	\$ 42,938	\$ -
Asset Forfeiture Program (Equitable Sharing)	16.922		25,656	-
Passed through Board of State and Community Corrections:				
Justice Assistance Grant	16.738	BSCC 637-17-2	11,646	-
Passed through the Governor's Office of Emergency Services:				
Crime Victim Assistance (VOCA)	16.575	VW 18-35-0350	163,579	-
Crime Victim Assistance (VOCA)	16.575	VW 17-34-0350	54,565	-
Crime Victim Assistance (XC)	16.575	XC 16-01-0350	72,409	-
Subtotal - CFDA 16.575			290,553	-
Total U.S. Department of Justice			\$ 370,793	\$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF SAN BENITO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Labor</u>				
Passed through the City of Sunnyvale:				
WIOA - NOVA	17.258	K8106650	\$ 103,909	\$ -
Passed through State Employment Department:				
WIOA - Adult 201	17.258	K9110049	31,428	-
WIOA - Adult 202	17.258	K9110049	197,541	-
WIOA - Adult 202	17.258	K8106658	15,968	-
WIOA - Youth 301	17.259	K9110049	83,884	-
WIOA - Youth 301	17.259	K8106658	100,753	-
WIOA - Dislocated Worker 501	17.278	K9110049	36,686	-
WIOA - Dislocated Worker 502	17.278	K9110049	140,336	-
WIOA - Dislocated Worker 502	17.278	K8106658	46,818	-
WIOA - Rapid Response 540	17.278	K9110049	17,441	-
WIOA - Rapid Response 541	17.278	K9110049	86,655	-
WIOA - Rapid Response 541	17.278	K8106658	42,099	-
WIOA - Lay Off Aversion 292 & 293	17.278	K9110049	24,272	-
WIOA - Lay Off Aversion 292 & 293	17.278	K8106658	11,258	-
Subtotal - WIA Cluster			<u>939,048</u>	<u>-</u>
Total U.S. Department of Labor			<u>\$ 939,048</u>	<u>\$ -</u>
<u>U.S. Department of Transportation</u>				
Passed through the State Department of Transportation:				
Highway Planning and Construction - FHWA	20.205	BRLO-5943(063)	123,217	-
Highway Planning and Construction - FHWA	20.205	BRLS-5943(062)	84,329	-
Highway Planning and Construction - FHWA	20.205	BRLS-5943(043)	508,831	-
Highway Planning and Construction - FHWA	20.205	BRLS-5943(056)	28,264	-
Highway Planning and Construction - FHWA	20.205	BRLO-5943(054)	56,352	-
Highway Planning and Construction - FHWA	20.205	BRLO-5943(055)	140,885	-
Highway Planning and Construction - FHWA	20.205	STPLX-5943(057)	22,500	-
Highway Planning and Construction - FHWA	20.205	BRLKS-NBIL (501)	74,662	-
Highway Planning and Construction - FHWA	20.205	ER32LO(426)	9,604	-
Highway Planning and Construction - FHWA	20.205	ER32LO(427)	10,893	-
Subtotal - Highway Planning and Construction Cluster			<u>1,059,537</u>	<u>-</u>
Passed through the State Department of Transportation:				
State and Community Highway Safety	20.600	PS18025	8,262	-
Total U.S. Department of Transportation			<u>\$ 1,067,799</u>	<u>\$ -</u>
<u>U.S. Election Assistance Commission (EAC)</u>				
Passed through the Secretary of State:				
Help America Vote Act, Polling Place Accessibility Training Program (HAVA)	90.401	17G26134	10,000	-
Total Internal Revenue Service			<u>\$ 10,000</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF SAN BENITO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
Passed through the State Department of Social Services:				
FEDGAP Assistance Program	93.090		\$ 30,379	\$ -
Adoption and Legal Guardianship Incentive Administration	93.603		538	-
Adoption Assistance	93.659		766,658	-
Adoption Eligibility (Adoption Assistance)	93.659		31,331	-
Subtotal - CFDA 93.659			797,989	-
CalWorks/Temporary Assistance for Needy Families (TANF)	93.558		405,523	-
Child Welfare Services TANF Program	93.558		242,636	-
CalWorks/Temporary Assistance for Needy Families (TANF) Fraud Incentive	93.558		2,611	-
Calworks CEC Programs SA Admin	93.558		1,924,138	-
Calworks CEC Programs Non SA Admin	93.558		515,529	-
Subtotal - TANF Cluster			3,090,437	-
Foster Care (Title IV-E)	93.658		49,243	-
Foster Care Assistance (Title IV-E)	93.658		327,690	-
Child Welfare Services IV-E (Title IV-E)	93.658		523,626	-
Commercially Sexually Exploited Children (Title IV-E)	93.658		563	-
Non CWS Allocation (Title IV-E)	93.658		14,663	-
Continuum of Care Reform (Title IV-E)	93.658		210,647	-
Emergency Child Care Bridge Program (ECCB)	93.658		22,417	-
CWS Case Management System Data Development Admin	93.658		107,345	-
Subtotal - CFDA 93.658			1,256,194	-
Social Services Block Grant (Title XX)	93.667		38,682	-
Social Services Block Grant Funding Augmentation (Title XX)	93.667		69,426	-
Subtotal - CFDA 93.667			108,108	-
Stephanie Tubbs Jones Child Welfare Services Program (CWS IV-B)	93.645		49,363	-
Chafee Foster Care Independence Program (Independent Living)	93.674		18,848	-
Promoting Safe and Stable Families	93.556		48,084	-
Passed through the State Department of Public Health:				
CDC Public Health Emergency Preparedness (PHEP)	93.069	17-10185	118,982	-
Hospital Preparedness Program (HPP)	93.889	17-10185	154,310	-
Cities Readiness Initiative (CRI)	93.074	17-10185	9,784	-
Immunization Assistance Program (IAP/IZ)	93.268	17-10342	37,818	-
Maternal, Child and Adolescent Health (MCAH)	93.994	201835	105,039	-
Maternal, Child and Adolescent Health (MCAH) Non Enhanced Matching	93.994	201835	60,561	-
Maternal, Child and Adolescent Health (MCAH) Enhanced Matching	93.994	201835	11,072	-
Subtotal - CFDA 93.994			176,672	-
Passed through the State Department of Health Care Services:				
California Children's Services (CCS) Title XIX	93.767		30,656	-
California Children's Services (CCS) Medi-cal	93.767		86,546	-
Child Health and Disability Prevention (CHDP) Enhanced	93.767		22,840	-
Child Health and Disability Prevention (CHDP) Non Enhanced	93.767		70,448	-
Health Care Program for Children in Foster Care (HCPCFC) Enhanced	93.767		21,441	-
Health Care Program for Children in Foster Care (HCPCFC) Non Enhanced	93.767		3,574	-
Subtotal - CFDA 93.767			235,505	-
In-Home Supportive Services Program	93.778		213,823	-
Medical Assistance Program (WPC)	93.778		540,221	-
Medical Assistance Program	93.778		1,485,391	-
Subtotal - Medicaid Cluster			2,239,435	-
Passed through the State Department of Child Support Services:				
Child Support Enforcement	93.563		1,166,372	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SAN BENITO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Health and Human Services (continued)</u>				
Passed through the State Department of Health Human Services:				
Prevention and Treatment of Substance Abuse Block Grant	93.959	17-94152	\$ 522,488	\$ -
Passed through State Community Services Development Department:				
Low Income Housing Energy Assistance Program	93.568	19B-5029	73,134	-
Low Income Housing Energy Assistance Program	93.568	18B-4029	45,832	-
Low Income Housing Energy Assistance Program	93.568	17B-3030	2,445	-
Subtotal - CFDA 93.568			<u>121,411</u>	<u>-</u>
Community Services Block Grant	93.569	18F-5034	147,662	-
Community Services Block Grant	93.569	19F-4436	132,360	-
Subtotal - CFDA 93.569			<u>280,022</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>\$ 10,462,739</u>	<u>\$ -</u>
<u>Executive Office of the President</u>				
Passed through County of San Mateo				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001		54,154	-
Total Executive Office of the President			<u>\$ 54,154</u>	<u>\$ -</u>
<u>U.S. Department of Homeland Security</u>				
Passed through the State Governor's Office of Emergency Services:				
FED-HSGP - Homeland Security Grant Program	97.067	2017-0083	76,849	-
FED-HSGP - Homeland Security Grant Program	97.067	2016-00102	48,319	-
Passed through City and County of San Francisco:				
Urban Area Security Initiative (UASI)	97.067	2017-0083	13,500	-
Subtotal - CFDA 97.067			<u>138,668</u>	<u>-</u>
Federal Emergency Management Agency	97.036	PW 562	274,680	-
FED-EMPG - Emergency Management Performance Grant	97.042	2018-0008	136,520	-
Total U.S. Department of Homeland Security			<u>\$ 549,868</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 17,081,653</u>	<u>\$ 321,590</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SAN BENITO
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2019**

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 San Benito for the year ended June 30, 2019. 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 2019 *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 has elected not to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

NOTE 5 LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2019 as follows:

<u>CFDA No.</u>	<u>Federal Program</u>	<u>Outstanding Loans</u>	<u>Loans with Continuing Compliance Requirements</u>
14.239	Home Investment Partnership Program	\$1,618,970	\$1,622,819

COUNTY OF SAN BENITO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019

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.

**COUNTY OF SAN BENITO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

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? _____ yes x 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
14.239	HOME Investment Partnerships Program
17.258, 17.259, 17.278	WIA Cluster
20.205	Highway Planning and Construction Cluster
93.558	Temporary Assistance for Needy Families
93.659	Adoptions Assistance Program
93.778	Medical Assistance Program

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

Auditee qualified as low-risk auditee? _____ yes x no

**COUNTY OF SAN BENITO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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 SAN BENITO
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. 18F-5034 (CSBG – \$271,014)
For the Period January 1, 2018 through May 31, 2019**

	Jan. 1, 2018 through June 30, 2018	July 1, 2018 through Dec. 31, 2018	Jan. 1, 2019 through May 31, 2019	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE						
Grant Revenue	\$ 160,674	\$ 51,254	\$ 59,086	\$ 271,014	\$ 271,014	\$ 271,014
Total Revenue	<u>160,674</u>	<u>51,254</u>	<u>59,086</u>	<u>271,014</u>	<u>271,014</u>	<u>271,014</u>
EXPENDITURES						
Administration:						
Salaries & Wages	14,624	13,008	-	27,632	27,632	25,186
Fringe Benefits	7,582	5,958	-	13,540	13,540	12,341
Operation Expenses	6,924	19,313	-	26,237	26,237	27,896
Subtotal Administration	<u>29,130</u>	<u>38,279</u>	<u>-</u>	<u>67,409</u>	<u>67,409</u>	<u>65,423</u>
Program Costs:						
Salaries & Wages	54,528	30,220	-	84,748	84,748	77,054
Fringe Benefits	15,580	12,892	-	28,472	28,472	34,460
Operation Expenses	24,629	12,159	-	36,788	36,788	43,533
Other Costs	36,807	14,378	2,412	53,597	53,597	50,544
Subtotal Program Costs	<u>131,544</u>	<u>69,649</u>	<u>2,412</u>	<u>203,605</u>	<u>203,605</u>	<u>205,591</u>
Total Expenditures	<u>160,674</u>	<u>69,649</u>	<u>2,412</u>	<u>271,014</u>	<u>\$ 271,014</u>	<u>271,014</u>
REVENUE OVER (UNDER) COSTS	<u>\$ -</u>	<u>\$ (18,395)</u>	<u>\$ 56,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF SAN BENITO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED JUNE 30, 2019

The County of San Benito respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2019.

Audit period: July 1, 2017 – June 30, 2018

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

Findings – Financial Statement Audit

2018 – 001 Unrecorded Liability (Significant Deficiency)

Recommendation: CLA recommends the County review all disbursements subsequent to the audit period ending date to ensure the year-end accounts payable and expense balances are complete.

Status: Implemented in the current year.

2018 – 002 Accrued Liabilities (Significant Deficiency)

Recommendation: CLA recommends the County review all asset and liability accounts subsequent to the audit period ending date to ensure the year-end account balances are complete.

Status: Implemented in the current year.

2018 – 003 Medical Assistance Program Eligibility (Material Weakness)

Recommendation: CLA recommends that the County focus on casefiles with due and overdue redeterminations to reduce backlog and become current with renewals.

Status: Implemented in the current year.