

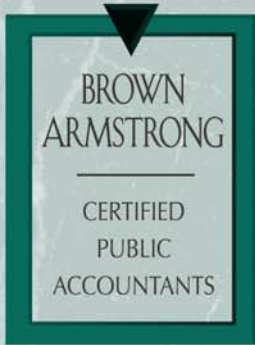
**COUNTY OF MERCED**  
**SINGLE AUDIT REPORTS**  
**(UNIFORM GUIDANCE)**  
**FOR THE FISCAL YEAR**  
**ENDED JUNE 30, 2020**

**COUNTY OF MERCED  
SINGLE AUDIT REPORTS  
(UNIFORM GUIDANCE)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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## REPORTS



# BROWN ARMSTRONG

*Certified Public Accountants*

## **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**

Honorable Board of Supervisors  
of the County of Merced

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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, each major fund, and the aggregate remaining fund information of the County of Merced, California (the County), as of and for the fiscal 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 December 29, 2020.

### **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 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 County'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 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*.

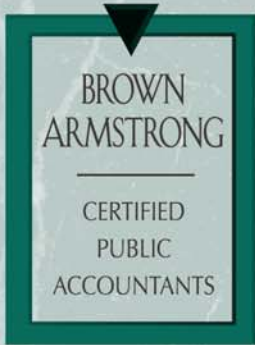
## **Purpose of this Report**

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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
December 29, 2020



# BROWN ARMSTRONG

*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Board of Supervisors  
of the County of Merced

### **Report on Compliance for Each Major Federal Program**

We have audited the County of Merced'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 fiscal year ended June 30, 2020. 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 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 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 identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

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## 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 on the previous page. 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 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.

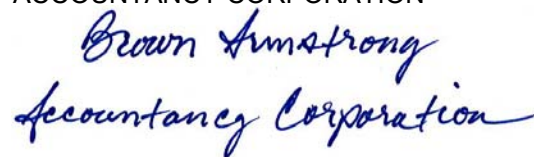
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 29, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

Handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation".

Bakersfield, California  
March 19, 2021

## **FINANCIAL STATEMENTS**



**COUNTY OF MERCED  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR Pass-Through Grantor Program Title	Federal C.F.D.A. Number	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<b>Direct Program</b>				
Farmer's Market and Local Food Promotion Program	10.168	2016257 (HE 1736)	\$ -	\$ 52,364
<b>Passed Through California Department of Food and Agriculture</b>				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-0293-008-SF	-	58,970
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-0737-019-SF	-	68,718
Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-0619-010-SF	-	70,858
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-0994-0415-SF	-	33,573
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-0453-023-SF	-	101,493
Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-0299-011-SF	-	7,608
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-0268-032-SF	-	14,870
Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-0200	-	36,287
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-0250	-	89,482
Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-0295-006-SF	-	2,147
Subtotal			-	484,006
<b>Passed Through California Department of Education</b>				
National School Breakfast Program	10.553	01936-SN-24-R	-	31,016
National School Lunch Program	10.555	01936-SN-24-R	-	48,857
Subtotal - Child Nutrition Cluster			-	79,873
<b>Passed Through California Department of Aging</b>				
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	SP-1920-31	-	57,198
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	SP-1819-31	-	28,400
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	CF-1920-31	-	9,363
<b>Passed Through California Department of Public Health</b>				
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	2019 (HE 2056)	-	381,437
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	2019070 (HE 2004)	-	167,088
<b>Passed Through California Department of Social Services</b>				
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	Merced (County 24)	-	6,592,347
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	Merced (County 24)	-	303
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	Merced (County 24)	-	48,987
Subtotal - SNAP Cluster			-	7,285,123
<b>Passed Through California Department of Forestry</b>				
Cooperative Forestry Assistance	10.664	7FG19073	-	20,000
<i>Total U.S. Department of Agriculture</i>			-	7,921,366
<b>U.S. DEPARTMENT OF COMMERCE</b>				
<b>Direct Programs</b>				
Economic Adjustment Assistance - Administrative and Other	11.307	07-49-02639	-	2,661
Economic Adjustment Assistance - Administrative and Other	11.307	07-39-02988	-	2,443
Subtotal - Economic Development Cluster			-	5,104
<i>Total U.S. Department of Commerce</i>			-	5,104
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<b>Direct Programs</b>				
Supportive Housing Program	14.235	CA0780L9T201608	139,327	108,183
Supportive Housing Program	14.235	CA0984L9T201604	-	98,920
<i>Total U.S. Department of Housing and Urban Development</i>			139,327	207,103
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<b>Direct Programs</b>				
Domestic Cannabis Eradication Suppression Program	16.XXX	2019-028	-	63,919
Domestic Cannabis Eradication Suppression Program	16.XXX	2020-026	-	62,848
Subtotal			-	126,767
<b>Passed Through California Governor's Office of Emergency Services</b>				
Crime Victim Assistance	16.575	XV 15 01 0240	-	85,398
Crime Victim Assistance	16.575	UV 19 02 0240	-	73,964
Crime Victim Assistance	16.575	XC 16 01 0240	-	84,833
Crime Victim Assistance	16.575	XC 19 02 0240	-	42,667
Crime Victim Assistance	16.575	VW 18 36 0240	-	116,949
Crime Victim Assistance	16.575	VW 19 37 0240	-	297,274
Crime Victim Assistance	16.575	XT 15010240	-	35,710
Crime Victim Assistance	16.575	XT 15010240	-	47,567
Crime Victim Assistance	16.575	XT 15010240	-	40,908
Crime Victim Assistance	16.575	XT 15010240	-	42,569
Crime Victim Assistance	16.575	AT19020240	-	46,268
Subtotal			-	914,107

(Continued)

See accompanying notes to the schedule of expenditures of federal awards and the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

**COUNTY OF MERCED  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR Pass-Through Grantor Program Title	Federal C.F.D.A. Number	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF JUSTICE (Continued)</b>				
Passed Through California Board of Community Corrections Edward Burne Memorial Justice Assistance Grant Program	16.738	BSCC-0025-18-MH	-	2,200
<i>Total U.S. Department of Justice</i>			-	1,043,074
<b>U.S. DEPARTMENT OF LABOR</b>				
Passed Through California Employment Development Department (EDD) Employment Service/Wagner-Peyser Funded Activities	17.207	11522/11770	-	5,641
Subtotal - Employment Service Cluster			-	5,641
Passed Through California EDD Workforce Innovation and Opportunity Act (WIOA) National Emergency Grants	17.277	K9110025	109,257	333,307
WIOA National Emergency Grants	17.277	K9110025	-	469,960
Subtotal			109,257	803,267
Passed Through California EDD				
WIOA Adult Program	17.258	K8106644	-	99,945
WIOA Adult Program	17.258	K8106644	-	24,431
WIOA Adult Program	17.258	K9110025	618,471	683,380
WIOA Adult Program	17.258	K9110025	-	104,961
WIOA Adult Program	17.258	K9110025	-	148,188
WIOA Adult Program	17.258	AA011015	-	830,022
WIOA Youth Program	17.259	K9110025	1,300,619	1,385,268
WIOA Youth Program	17.259	AA011015	-	464,534
WIOA Dislocated Worker Formula Grants	17.278	K9110025	572,395	245,041
WIOA Dislocated Worker Formula Grants	17.278	K9110025	-	5,003
WIOA Dislocated Worker Formula Grants	17.278	K9110025	-	59,572
WIOA Dislocated Worker Formula Grants	17.278	AA011015	-	709,865
WIOA Dislocated Worker Formula Grants	17.278	AA011015	-	33,093
WIOA Dislocated Worker Formula Grants	17.278	AA011015	-	52,028
WIOA Dislocated Worker Formula Grants	17.278	AA011015	-	80,594
Subtotal - WIOA Cluster			2,491,485	4,925,925
<i>Total U.S. Department of Labor</i>			2,600,742	5,734,833
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Passed Through California Department of Transportation				
Highway Planning and Construction	20.205	BRLO-5939(103)	-	18,692
Highway Planning and Construction	20.205	BRLO-5939(101)	-	10,801
Highway Planning and Construction	20.205	CML - 5939(124)	-	117,875
Highway Planning and Construction	20.205	BRLO-5939(077)	-	51,661
Highway Planning and Construction	20.205	FERP16-5939(126)	-	337,670
Highway Planning and Construction	20.205	BRLO-5939(100)	-	14,443
Highway Planning and Construction	20.205	ATPL - 5939 (120)	-	128,472
Highway Planning and Construction	20.205	BRLO-5939(078)	-	913,007
Highway Planning and Construction	20.205	HRRRL-5939(118)	-	34,387
Highway Planning and Construction	20.205	FERPL16-5939(125)	-	652,829
Highway Planning and Construction	20.205	BRLO-5939(82)	-	38,670
Highway Planning and Construction	20.205	BRLO-5939(92)	-	67,641
Highway Planning and Construction	20.205	BRLO-5939(070)	-	1,718,158
Highway Planning and Construction	20.205	ATPL - 5939 (109)	-	43,446
Highway Planning and Construction	20.205	BRLO-5939(083)	-	114,093
Highway Planning and Construction	20.205	BRLO-5939(102)	-	3,056
Highway Planning and Construction	20.205	HSIPL - 5939 (111)	-	874,225
Highway Planning and Construction	20.205	BRLO - 5939(091)	-	7
Highway Planning and Construction	20.205	STPLR-75010 (273)	-	23,668
Highway Planning and Construction	20.205	ATPL - 5939 (119)	-	68,513
Highway Planning and Construction	20.205	BROL-5939(107)	-	78,240
Highway Planning and Construction	20.205	HSIPL - 5939 (116)	-	24,431
Highway Planning and Construction	20.205	BRLS - 5939 (106)	-	15,111
Highway Planning and Construction	20.205	ATPL - 5939 (108)	-	820,120
Highway Planning and Construction	20.205	CML - 5939 (117)	-	52,643
Highway Planning and Construction	20.205	STPLR-7500(278)	-	31,509
Subtotal - Highway Planning and Construction Cluster			-	6,253,368
Passed Through California Office of Traffic Safety State and Community Highway Safety	20.600	EM20007	-	105,000
Subtotal - Highway Safety Cluster			-	105,000
<i>Total U.S. Department of Transportation</i>			-	6,358,368

(Continued)

See accompanying notes to the schedule of expenditures of federal awards and the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

**COUNTY OF MERCED**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR Pass-Through Grantor Program Title	Federal C.F.D.A. Number	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
Passed Through California Department of Finance Coronavirus Aid Relief and Economic Security (CARES) Act	21.019	Merced (County 24)	-	9,414,293
<i>Total U.S. Department of the Treasury</i>			-	9,414,293
<b>U.S. GENERAL SERVICES ADMINISTRATION</b>				
Passed Through California Secretary of State Help American Vote Act (HAVA) Cybersecurity & Infrastructure	39.011	18G27124	-	3,000
<i>Total U.S. General Services Administration</i>			-	3,000
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Passed Through California Department of Rehabilitation Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	2014030	-	42,265
<i>Total U.S. Department of Education</i>			-	42,265
<b>U.S. ELECTION ASSISTANCE COMMISSION</b>				
Passed Through California Secretary of State HAVA Requirements Payments Formula Grant	90.401	18G26124	-	11,636
<i>Total U.S. Election Assistance Commission</i>			-	11,636
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed Through California Department of Aging Title VII, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1920-31	-	3,066
Title VII, Long-Term Care Ombudsman Services for Older Individuals	93.042	AP-1920-31	-	29,833
Title III, Part D, Disease Prevention and Health Promotion Services	93.043	AP-1920-31	-	13,967
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	AP-1920-31	-	162,937
Title III, Part C - Nutrition Services	93.045	AP-1920-31	-	355,165
Nutrition Services Incentive Program	93.053	AP-1920-31	-	57,400
Subtotal - Aging Cluster			-	575,502
National Family Caregiver Support - Title III, Part E	93.052	AP-1920-31	-	109,593
Medicare Enrollment Assistance Program	93.071	MI-1819-31	-	18,158
Passed Through California Department of Public Health Public Health Emergency Preparedness	93.069	17-10171 (HE1851)	-	84,186
Public Health Emergency Preparedness	93.069	17-10171 (HE1851)	-	235,636
Public Health Emergency Preparedness	93.069	Covid-19-2401 (HE 2123)	-	9,076
Public Health Emergency Preparedness	93.069	2019301	-	16,043
Subtotal			-	344,941
Passed Through California Department of Public Health Project Grants and Cooperative Agreements for Tuberculosis	93.116	2018167	-	45,776
Passed Through California Department of Health Care Services Projects for Assistance in Transition from Homelessness (PATH)	93.150	93-15	-	80,475
Passed Through California Department of Public Health Immunization Grant	93.268	17-10309	-	89,109
Passed Through California Department of Aging State Health Insurance Assistance Program	93.324	HI-1718-31	-	83,242
Passed Through California Department of Public Health Pregnancy Assistance Fund Program	93.500	201824 (HE 1882)	-	242,791
Affordable Care Act - Maternal, Infant, and Early Childhood Home Visiting Program	93.505	2019304 (HE 2070)	-	332,404

*(Continued)*

See accompanying notes to the schedule of expenditures of federal awards and the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

**COUNTY OF MERCED  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR Pass-Through Grantor Program Title	Federal C.F.D.A. Number	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<b>Passed Through California Department of Social Services</b>				
Promoting Safe and Stable Families	93.556	Merced (County 24)	-	366,077
Promoting Safe and Stable Families	93.556	Merced (County 24)	-	<u>14,128</u>
Subtotal			-	<u>380,205</u>
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	1,283,231
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	147,118
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	9,756,898
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	2,587,959
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	2,692,675
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	1,995,116
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	1,245,347
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	741,023
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	21
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	895,552
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	17,719
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	<u>27,724,700</u>
Subtotal - 477 Cluster			-	<u>49,087,359</u>
<b>Passed Through California Department of Child Support Services</b>				
Child Support Enforcement	93.563	Merced (County 24)	-	<u>5,767,965</u>
Child Support Enforcement Research	93.564	90FD0215-01-00	-	<u>144,017</u>
<b>Passed Through California Department of Social Services</b>				
Community - Based Child Abuse Prevention Grant	93.590	Merced (County 24)	-	<u>18,937</u>
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Merced (County 24)	-	<u>247,647</u>
Foster Care - Title IV-E	93.658	CSA 199-12	-	396,824
Foster Care - Title IV-E	93.658	Merced (County 24)	-	4,583,376
Foster Care - Title IV-E	93.658	Merced (County 24)	-	2,570
Foster Care - Title IV-E	93.658	Merced (County 24)	-	29,521
Foster Care - Title IV-E	93.658	Merced (County 24)	-	8,299
Foster Care - Title IV-E	93.658	Merced (County 24)	-	86,389
Foster Care - Title IV-E	93.658	Merced (County 24)	-	7,115
Foster Care - Title IV-E	93.658	Merced (County 24)	-	33,617
Foster Care - Title IV-E	93.658	Merced (County 24)	-	144,773
Foster Care - Title IV-E	93.658	Merced (County 24)	-	238,858
Foster Care - Title IV-E	93.658	Merced (County 24)	-	149,858
Foster Care - Title IV-E	93.658	Merced (County 24)	-	15,165
Foster Care - Title IV-E	93.658	Merced (County 24)	-	102,794
Foster Care - Title IV-E	93.658	Merced (County 24)	-	23,611
Foster Care - Title IV-E	93.658	Merced (County 24)	-	172,531
Foster Care - Title IV-E	93.658	Merced (County 24)	-	<u>4,962,969</u>
Subtotal			-	<u>10,958,270</u>
Adoption Assistance	93.659	Merced (County 24)	-	356,560
Adoption Assistance	93.659	Merced (County 24)	-	54,452
Adoption Assistance	93.659	Merced (County 24)	-	3,691,671
Adoption Assistance	93.659	Merced (County 24)	-	<u>78,233</u>
Subtotal			-	<u>4,180,916</u>
Social Services Block Grant	93.667	Merced (County 24)	-	<u>270,354</u>
Child Abuse and Neglect State Grants	93.669	2019327 (HE 2074)	-	<u>27,841</u>
Chafee Foster Care Independence Program	93.674	Merced (County 24)	-	<u>128,186</u>
<b>Passed Through California Department of Public Health</b>				
State and Local Public Health Actions to Prevent Obesity, Diabetes, and Heart Disease	93.757	18-10934 (HE 2040)	-	<u>19,552</u>
<b>Passed Through California Department of Health Care Services</b>				
Children's Health Insurance Program	93.767	2019358	-	<u>137,764</u>

(Continued)

See accompanying notes to the schedule of expenditures of federal awards and the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

**COUNTY OF MERCED**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR Pass-Through Grantor Program Title	Federal C.F.D.A. Number	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>				
Passed Through California Department of Social Services				
Medical Assistance Program	93.778	Merced (County 24)	-	719,753
Medical Assistance Program	93.778	Merced (County 24)	-	352,758
Medical Assistance Program	93.778	Merced (County 24)	-	107,690
Medical Assistance Program	93.778	Merced (County 24)	-	1,056,502
Medical Assistance Program	93.778	Merced (County 24)	-	503,600
Medical Assistance Program	93.778	Merced (County 24)	-	20,333,200
Medical Assistance Program	93.778	Merced (County 24)	-	383,460
Medical Assistance Program	93.778	Merced (County 24)	-	95,664
Passed Through California Department of Aging				
Medical Assistance Program	93.778	2004211	-	699,515
Passed Through California Department of Health Care Services				
Medical Assistance Program	93.778	2019358	-	588,897
Medical Assistance Program	93.778	2019358	-	105,033
Medical Assistance Program	93.778	2019358	-	153,722
Medical Assistance Program	93.778	2019358	-	19,702
Medical Assistance Program	93.778	2013077	-	689,081
Medical Assistance Program	93.778	17-94084	-	754,926
Medical Assistance Program	93.778	17-94084	1,849,226	2,425,383
Passed Through California Department of Public Health				
Medical Assistance Program	93.778	201924 (HE 2076)	-	133,427
Medical Assistance Program	93.778	201824 (HE 1882)	-	165,155
Subtotal - Medicaid Cluster			<u>1,849,226</u>	<u>29,287,468</u>
Passed Through California Department of Public Health				
National Bioterrorism Hospital Preparedness Program	93.889	17-10171 (HE1851)	-	258,589
HIV Care Formula Grants	93.917	18-10876	-	103,461
HIV Care Formula Grants	93.917	16-10376	-	9,340
Subtotal			-	<u>112,801</u>
Passed Through California Department of Health Care Services				
Block Grants For Community Mental Health Services	93.958	78767951	-	638,690
Block Grants for Prevention and Treatment of Substance Abuse	93.959	17-94141	-	797,751
Passed Through California Department of Public Health				
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977	HE 2098	-	21,129
Maternal and Child Health Services Block Grant to the States	93.994	201924 (HE 2076)	-	124,127
<i>Total U.S. Department of Health and Human Services</i>			<u>1,849,226</u>	<u>104,578,425</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
Passed Through California Governor's Office of Emergency Services				
Emergency Management Performance Grants	97.042	2019-0003	-	181,498
Homeland Security Grant Program	97.067	2017-0083	126,899	193,413
Homeland Security Grant Program	97.067	2018-0054	-	62,034
Subtotal			<u>126,899</u>	<u>255,447</u>
<i>Total U.S. Department of Homeland Security</i>			<u>126,899</u>	<u>436,945</u>
<i>Total Expenditures of Federal Awards, Excluding Federal Loan Balances Carried Forward from Prior Year</i>			<u>\$ 4,716,194</u>	<u>\$ 135,756,412</u>
<b>Federal Loan Balances Carried Forward from Prior Year</b>				
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Direct Programs:				
Economic Adjustment Assistance	11.307	N/A	\$ -	\$ 72,371
Community Development Block Grants/State's Program	14.228	N/A	-	2,332,014
HOME Investment Partnership Program	14.239	N/A	-	3,646,470
<i>Total Federal Loan Balances Carried Forward from Prior Year</i>			-	<u>6,050,855</u>
<i>Total Expenditures of Federal Awards, Including Federal Loan Balances Carried Forward from Prior Year</i>			<u>\$ 4,716,194</u>	<u>\$ 141,807,267</u>

See accompanying notes to the schedule of expenditures of federal awards and the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

**COUNTY OF MERCED  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 – GENERAL**

The accompanying schedule of expenditures of federal awards (SEFA) presents the activity of all federal financial assistance programs of the County of Merced, California (County). The County reporting entity is defined in Note 1 within the Merced County Comprehensive Annual Financial Report (CAFR). All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included in the SEFA.

**NOTE 2 – BASIS OF ACCOUNTING**

The accompanying SEFA is presented using the cash basis of accounting, with the exception of the Department of Workforce Investment using the accrual basis of accounting. Within the CAFR, the basic financial statements were presented using the accrual basis of accounting for the government-wide and proprietary fund statements and the modified accrual basis of accounting for the governmental fund statements.

**NOTE 3 – AMOUNT PROVIDED TO SUBRECIPIENTS**

The County has provided federal awards to various organizations. The amounts provided to subrecipients from each federal program are summarized as follows:

FEDERAL GRANTOR OR Pass-Through Grantor	Federal Program	Federal C.F.D.A. #	Subrecipient	Contract or Program Number	Amount Provided to Subrecipients
US Department of Housing and Urban Development	Supportive Housing Program	14.235	Merced Community Action Agency	2019269	\$ 60,126
US Department of Housing and Urban Development	Supportive Housing Program	14.235	Merced Community Action Agency	2019270	79,201
State Employment Development Department	WIOA Adult Program	17.258	Arbor E & T	2020058	618,471
State Employment Development Department	WIOA Youth Program	17.259	MCOE	2018137	1,300,619
State Employment Development Department	WIOA National Emergency Grants	17.277	Arbor E & T	2020058	109,257
State Employment Development Department	WIOA Dislocated Worker	17.278	Arbor E & T	2020058	572,395
CA Department of Health Care Services	Medical Assistance Program	93.778	Aegis Medical Systems Inc.	2018234	1,083,588
CA Department of Health Care Services	Medical Assistance Program	93.778	CSMA	2018213	741,158
CA Department of Health Care Services	Medical Assistance Program	93.778	CSMA	2018214	24,480
CA Emergency Management Agency	Homeland Security Grant Program	97.067	City of Los Banos	SHSGP - FY17	18,946
CA Emergency Management Agency	Homeland Security Grant Program	97.067	City of Livingston	SHSGP - FY17	3,982
CA Emergency Management Agency	Homeland Security Grant Program	97.067	City of Atwater	SHSGP - FY17	41,487
CA Emergency Management Agency	Homeland Security Grant Program	97.067	City of Merced	SHSGP - FY17	40,826
CA Emergency Management Agency	Homeland Security Grant Program	97.067	City of Gustine	SHSGP - FY17	21,658
					\$ 4,716,194

**NOTE 4 – CALIFORNIA DEPARTMENT OF AGING GRANT PROGRAMS**

The SEFA is normally a presentation of federal awards expended. However, the terms and conditions of agency contracts with the California Department of Aging require agencies to display state-funded expenditures discretely along with the related federal expenditures in the SEFA. The following is a listing of the grant programs administered by the California Department of Aging.

<u>LOCAL PROGRAM TITLE</u>	<u>PROGRAM</u>	<u>C.F.D.A. #</u>	<u>CONTRACT OR PROGRAM NUMBER</u>	<u>FEDERAL EXPENDITURES</u>	<u>STATE EXPENDITURES</u>
HICAP State Contract	HICAP	93.324	HI -1718-31	\$ 83,242	\$ 182,890
MIPPA State Contract	MIPPA	93.071	MI -1819-31	18,158	-
HICAP State Contract	SMP	State only	13180	-	5,500
Title III/VII State Contract	Nutrition Services	93.045	AP-1920-31	355,165	283,638
Title III/VII State Contract	NSIP	93.053	AP-1920-31	57,400	-
Title III/VII State Contract	Family Care Support III E	93.052	AP-1920-31	109,593	-
Title III/VII State Contract	Elder Abuse Title VII B	93.041	AP-1920-31	3,066	-
Title III/VII State Contract	Ombudsman Title VII A	93.042	AP-1920-31	29,833	-
Title III/VII State Contract	Disease Prev & Promo Svcs Title III D	93.043	AP-1920-31	13,967	-
Title III/VII State Contract	Supp Svcs & Sr. Ctrs Title III B	93.044	AP-1920-31	162,937	81,157
Title III/VII State Contract	Ombudsman PHL& C	State only	AP-1920-31	-	1,916
Title III/VII State Contract	Ombudsman Special Deposit Fund (SHF)	State only	AP-1920-31	-	13,800
Title III/VII State Contract	Ombudsman Skilled Nursing Fac Quality & Acctability Fund	State only	AP-1920-31	-	9,102
SNAP-ED AAA	SNAP-ED AAA	10.561	SP-1920-31	57,198	-
SNAP-ED AAA	SNAP-ED AAA	10.561	SP-1819-31	28,400	-
CAL FRESH AAA	CAL FRESH AAA	10.561	CF-1920-31	9,363	9,362
				<u>\$ 928,322</u>	<u>\$ 587,365</u>

**NOTE 5 – LOANS OUTSTANDING**

The County participates in certain federal award programs that sponsor revolving loan programs, which are administered by the County. These programs maintain servicing and trust arrangements with the County to collect loan repayments. The funds are returned to the programs upon repayment of the principal and interest. The federal government has imposed no continuing compliance requirements with respect to the loans rendered under the programs other than to repay the loans, except for the Economic Development Administration Revolving Loan Funds, which do impose continuing compliance requirements in addition to repayment of the loans.

The following is a summary of the loan programs maintained by the County and their balances at June 30, 2020:

	<u>C.F.D.A. Number</u>	<u>June 30, 2020 Amount Outstanding</u>
Economic Adjustment Assistance	11.307	\$ 72,371
Community Development Block Grants/State's Programs	14.228	2,332,014
HOME Investment Partnership Program	14.239	<u>3,646,470</u>
		<u>\$ 6,050,855</u>

**NOTE 6 – INDIRECT COST RATE DISCLOSURE**

The County has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance for over 99% of its federal grants. The County elected to use the 10 percent de minimus indirect cost rate for the following programs:

<u>Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Federal Expenditures</u>
Crime Victim Assistance	16.575	\$ 85,398
Crime Victim Assistance	16.575	73,964
Crime Victim Assistance	16.575	84,833
Crime Victim Assistance	16.575	42,667
Crime Victim Assistance	16.575	116,949
Crime Victim Assistance	16.575	<u>297,274</u>
Total		<u>\$ 701,085</u>



## **FINDINGS AND QUESTIONED COSTS**

**COUNTY OF MERCED  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Section I – Summary of Auditor’s Results**

*Financial Statements*

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? \_\_\_ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_ Yes X None Reported

Noncompliance material to financial statements noted? \_\_\_ Yes X No

*Federal Awards*

Internal control over major federal programs:

- Material weakness identified? \_\_\_ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_ Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? \_\_\_ Yes X No

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
17.258	WIOA Cluster
17.259	WIOA Adult Program
17.278	WIOA Youth Program
	WIOA Dislocated Worker Formula Grants
20.205	Highway Planning and Construction
21.019	Coronavirus Relief Fund
93.658	Foster Care – Title IV-E
93.778	Medical Assistance Programs

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

Auditee qualified as low-risk auditee? \_\_\_ Yes X No

**Section II – Financial Statement Findings**

None.

**Section III – Federal Award Findings and Questioned Costs**

None.

**COUNTY OF MERCED  
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

None.