

COUNTY OF STANISLAUS
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2019



CLAconnect.com

WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING

**COUNTY OF STANISLAUS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2019**

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	10
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	12
SUPPLEMENTARY SCHEDULES OF THE CALIFORNIA OFFICE OF EMERGENCY SERVICES (CalOES) GRANTS	16



**INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Grand Jury and Board of Supervisors
County of Stanislaus
Modesto, 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, each major fund, and the aggregate remaining fund information of the County of Stanislaus (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 January 15, 2020. We did not audit the financial statements of the First 5 Stanislaus and the Employees’ Retirement Trust, which represent the following percentages of assets and revenues/additions as of and for the fiscal year ended June 30, 2019.

<u>Opinion Unit</u>	<u>Assets</u>	<u>Revenues/ Additions</u>
Discretely Presented Component Unit	100.0%	100.0%
Aggregate Remaining Fund Information	64.4	4.4

Those financial statements were audited by other auditors whose reports thereon have been furnished to us. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (internal control) 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We considered the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001 and 2019-002 to be material weaknesses.

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. We considered the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2019-003 to be a significant deficiency.

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.

County's Response to Findings

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

Purpose of this Report

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

CliftonLarsonAllen LLP

Roseville, California
January 15, 2020



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

The Honorable Board of Supervisors
County of Stanislaus
Modesto, California

Report on Compliance for Each Major Federal Program

We have audited County of Stanislaus' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Stanislaus' major federal programs for the year ended June 30, 2019. County of Stanislaus' (the County) major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of 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 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, 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, 2019, and have issued our report thereon dated January 15, 2020, that contained an unmodified opinion on those financial statements. We did not audit the financial statements of the First 5 Stanislaus and the Employees' Retirement Trust, which represent the following percentages of assets and revenues/additions as of and for the year ended June 30, 2019.

<u>Opinion Unit</u>	<u>Assets</u>	<u>Revenues/ Additions</u>
Discretely Presented Component Unit	100.0%	100.0%
Aggregate Remaining Fund Information	64.4	4.4

Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the County are based solely on the reports of the other auditors. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Supplementary Schedules

The supplementary schedules of the California Governor's Office of Emergency Services 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
January 15, 2020

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

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed through California Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP18PPQFO000C024	\$ -	\$ 40,450
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP19PPQFO000C009	-	116,901
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP18PPQFO000C500	-	12,396
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP18PPQFO000C84	-	11,051
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP18PPQFO000C002	-	91,777
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP19PPQFO000C001	-	132,929
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP18PPQFO000C048	-	189,925
Subtotal CFDA 10.025			-	595,429
Seniors Farmers Market Nutrition Program	10.576	SFMNP-1819-30	-	20,000
Direct Federal Program:				
National School Lunch Program	10.555		-	178,580
Passed through California Department of Public Health:				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		-	3,411,466
Supplemental Nutrition Assistance Program	10.551		221,761	881,199
Passed through California Department of Aging:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	17177CACA5Q3903	58,334	72,585
Passed through California Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		-	16,134,270
Subtotal Supplemental Nutrition Assistance Program Cluster			280,095	17,088,054
TOTAL U.S. DEPARTMENT OF AGRICULTURE			280,095	21,293,529
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT (HUD)				
Direct Federal Program:				
Community Development Block Grants/Entitlement Grants	14.218	B-12-UC-06-0010		51,833
Community Development Block Grants/Entitlement Grants	14.218	B-14-UC-06-0010	23,275	40,055
Community Development Block Grants/Entitlement Grants	14.218	B-15-UC-06-0010	133,932	147,618
Community Development Block Grants/Entitlement Grants	14.218	B-16-UC-06-0010	171,402	254,690
Community Development Block Grants/Entitlement Grants	14.218	B-17-UC-06-0010	63,970	306,422
Community Development Block Grants/Entitlement Grants	14.218	B-18-UC-06-0010	214,450	719,337
Community Development Block Grants/Entitlement Grants	14.218		12,600	12,927
Community Development Block Grants/Entitlement Grants	14.218	Outstanding Loans	-	513,481
Subtotal CFDA 14.218			619,629	2,046,363
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-08-UN-06-0006	-	987,359
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-11-UN-06-0006	-	64,685
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Outstanding Loans	-	178,848
Subtotal CFDA 14.228			-	1,230,892
Emergency Solutions Grant Program	14.231	E-17-UC-06-0010	360,930	364,895
Emergency Solutions Grant Program	14.231	E-18-UC-06-0010	29,593	37,206
Subtotal CFDA 14.231			390,523	402,101
Emergency Solutions Grant Program	14.239	Outstanding Loans	-	1,028,480
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			1,010,152	4,707,836
U.S. DEPARTMENT OF JUSTICE				
Passed through California Board of State and Community Corrections :				
Juvenile Justice and Delinquency Prevention	16.540	BSCC 397-17	-	48,822
Passed through California Governor's Office of Emergency Services:				
Crime Victim Assistance	16.575		-	89,013
Crime Victim Assistance	16.575	99-00000.16	322,502	1,352,328
Subtotal CFDA 16.575			322,502	1,441,341
Violence Against Women Formula Grants	16.588	LE17 01 0500	-	94,779
Violence Against Women Formula Grants	16.588	LE18 02 0500	-	106,569
Violence Against Women Formula Grants	16.588		-	199,444
Subtotal CFDA 16.588			-	400,792
Crime Victim Assistance/Discretionary Grants	16.582		-	5,940
Direct Federal Program:				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2016-WE-AX-0045	227,344	231,436

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0912	-	20,437
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-1012	131,252	135,311
Subtotal CFDA 16.738			131,252	155,748
Equitable Sharing Program	16.922		-	81,621
TOTAL U.S. DEPARTMENT OF JUSTICE			681,098	2,365,700
U.S. DEPARTMENT OF LABOR				
Passed through California Employment Development Department:				
WIOA Adult Program	17.258	K8106693	655,942	794,770
WIOA Adult Program	17.258	K9110074	-	2,143,721
WIOA Youth Activities	17.259	K8106693	605,985	605,985
WIOA Youth Activities	17.259	K9110074	1,192,630	2,220,212
WIOA Dislocated Worker Formula Grants	17.278	K8106693	296,213	1,019,000
WIOA Dislocated Worker Formula Grants	17.278	K9110074	22,902	1,259,065
Subtotal WIOA Cluster			2,773,672	8,042,753
TOTAL U.S. DEPARTMENT OF LABOR			2,773,672	8,042,753
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through California Department of Transportation:				
Highway Planning and Construction	20.205	BRLSZ-5938(176)	-	251,772
Highway Planning and Construction	20.205	BRLO-5938(157)	-	98,107
Highway Planning and Construction	20.205	BRLS-5938(188)	-	3,981,112
Highway Planning and Construction	20.205	BRLS-5938(200)	-	54,095
Highway Planning and Construction	20.205	BRLO-5938(203)	-	11,735
Highway Planning and Construction	20.205	BRLO-5938(190)	-	36,590
Highway Planning and Construction	20.205	BRLO-5938(196)	-	1,185,095
Highway Planning and Construction	20.205	HRRRL-5938(212)	-	23,307
Highway Planning and Construction	20.205	HRRRL-5938(213)	-	27,930
Highway Planning and Construction	20.205	HRRRL-5938(211)	-	21,787
Highway Planning and Construction	20.205	BRLO-5938(226)	-	111,800
Highway Planning and Construction	20.205	BRLO-5938(227)	-	45,464
Highway Planning and Construction	20.205	BRLO-5938(189)	-	125,825
Highway Planning and Construction	20.205	STPLZ-5938(076)	-	455,337
Highway Planning and Construction	20.205	BRLO-5938(193)	-	14,219
Highway Planning and Construction	20.205	BRLS-5938(201)	-	21,137
Highway Planning and Construction	20.205	BRLS-5938(167)	-	149,648
Highway Planning and Construction	20.205	CML-5938(183)	-	85,233
Highway Planning and Construction	20.205	CML-5938(181)	-	632,655
Highway Planning and Construction	20.205	BRLO-5938(191)	-	20,294
Highway Planning and Construction	20.205	BRLO-5938(194)	-	31,401
Highway Planning and Construction	20.205	BRLO-5938(192)	-	1,794,089
Highway Planning and Construction	20.205	BRLS-5938(199)	-	338,494
Highway Planning and Construction	20.205	BPMPL-5938(230)	-	29,081
Highway Planning and Construction	20.205	STPL-5938(233)	-	466,120
Highway Planning and Construction	20.205	CML-5938(239)	-	138,638
Highway Planning and Construction	20.205	HSIFL-5938(238)	-	259,379
Highway Planning and Construction	20.205	HRRRL-5938(246)	-	5,785
Highway Planning and Construction	20.205	HRRRL-5938(245)	-	5,533
Highway Planning and Construction	20.205	CML-5938(250)	-	7,698
Highway Planning and Construction	20.205	CML-5938(224)	-	217,111
Highway Planning and Construction	20.205	CML-5938(222)	-	201,707
Highway Planning and Construction	20.205	CML-5938(223)	-	34,642
Highway Planning and Construction	20.205	CML-5938(225)	-	24,690
Highway Planning and Construction	20.205	STPL-5938(240)	-	239,254
Highway Planning and Construction	20.205		-	178,130
Subtotal CFDA 20.205			-	11,324,894
Formula Grants for Rural Areas	20.509	CA-18-X059	-	464,965
Passed through City of Modesto				
Federal Transit Formula Grants	20.507	CA-2017-157-00	-	1,823,578
Passed through California Office of Traffic Safety				
National Priority Safety Programs	20.616		4,653	52,389

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Passed through California Governor's Office of Emergency Services: Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	578-16	-	38,867
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			4,653	13,704,693
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Passed through California Department of Public Health Capitalization Grants for Drinking Water State Revolving Funds	66.468		-	56,100
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			-	56,100
U.S. DEPARTMENT OF EDUCATION				
Passed through California Department of Rehabilitation Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	28295	-	76,776
TOTAL U.S. DEPARTMENT OF EDUCATION			-	76,776
U.S. ELECTION ASSISTANCE COMMISSION				
Passed through California Secretary of State Help America Vote Act Requirements Payments	90.401	17G26157	-	14,148
TOTAL U.S. ELECTION ASSISTANCE COMMISSION			-	14,148
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through California Department of Aging:				
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	17AACAT7EA 18AACAT7EA	6,241	6,241
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	17AACAT7OM 18AACAT7OM	34,251	34,251
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Serv	93.043	17AACAT3PH 18AACAT3PH	39,747	39,747
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	17AACAT3SS 18AACAT3SS	217,201	540,734
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	17AACAT3CM 18AACAT3CM	14,059	331,577
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	17AACAT3HD 18AACAT3HD	359,632	414,918
Nutrition Services Incentive Program	93.053	17AACANSIP 18AACANSIP	92,030	123,809
Subtotal Aging Cluster			682,922	1,411,038
National Family Caregiver Support, Title III, Part E	93.052	17AACAT3FC 18AACAT3FC	-	265,246
Medicare Enrollment Assistance Program	93.071	1701CAMSHI	-	30,763
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	90SAPG0052-01-01	-	96,880
Passed through California Department of Public Health				
Public Health Emergency Preparedness	93.069		-	388,766
Immunization Cooperative Agreements	93.268		-	128,206
Teenage Pregnancy Prevention Program	93.297		-	14,693
National Bioterrorism Hospital Preparedness Program	93.889		-	139,376
HIV Care Formula Grants	93.917		-	289,564
HIV Prevention Activities Health Department Based	93.940		-	37,454
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944		-	41,907
Tuberculosis Demonstration, Research, Public and Professional Education	93.947		-	40,664
Sexually Transmitted Diseases (STD) Provider Education Grants	93.978		-	44,356
Maternal and Child Health Services Block Grant to the States	93.994		-	807,498
Refugee & Entrant Assistance State/Replacement Designee Administered Programs	93.566		-	103,400
Passed through California Department of Social Services:				
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566		186,236	262,629
Subtotal CFDA 93.566			186,236	366,029

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Guardianship Assistance	93.090		-	355,033
Promoting Safe and Stable Families	93.556		419,762	493,149
Temporary Assistance for Needy Families	93.558		442,115	43,173,268
Refugee and Entrant Assistance Targeted Assistance Grants	93.584		96,243	96,243
Stephanie Tubbs Jones Child Welfare Services Program	93.645		-	354,840
Foster Care Title IV-E	93.658		-	13,880,987
Adoption Assistance	93.659		-	8,615,802
Social Services Block Grant	93.667		-	488,940
Chafee Foster Care Independence Program	93.674		127,679	127,679
Passed through California Department of Aging: Medical Assistance Program	93.778	1819-MSSP-14	-	649,725
Passed through California Department of Public Health Medical Assistance Program	93.778		-	336,462
Passed through California Department of Health Care Services: Medical Assistance Program	93.778		82,454	76,573,276
Subtotal CFDA 93.778			<u>82,454</u>	<u>77,559,463</u>
Projects for Assistance in Transition from Homelessness (PATH)	93.150		-	146,045
Block Grants for Community Mental Health Services	93.958		337,653	3,509,491
Block Grants for Prevention and Treatment of Substance Abuse	93.959	84.19	62,142	644,612
Block Grants for Prevention and Treatment of Substance Abuse	93.959		482,168	2,085,856
Subtotal Block Grants for Prevention and Treatment of Substance Abuse 93.959			<u>544,310</u>	<u>2,730,468</u>
Passed through California Department of Child Support Services: Child Support Enforcement	93.563	1804CACSES and 1901 CASES	-	9,696,590
Child Support Enforcement Research	93.564	90FD0185	-	81,886
Community-Based Child Abuse Prevention Grants	93.590		-	26,871
Passed through California Department of Education: Child Care and Development Block Grant	93.575		-	974,673
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		-	663,275
Subtotal Child Care Development Cluster			<u>-</u>	<u>1,637,948</u>
TOTAL U.S. DEPARTMENT OF HUMAN AND HEALTH SERVICES:			<u>2,999,613</u>	<u>167,157,382</u>
U.S. EXECUTIVE OFFICE OF THE PRESIDENT				
Direct Federal Program:				
High Intensity Drug Trafficking Areas Program	95.001	G17CV002A	-	121,377
High Intensity Drug Trafficking Areas Program	95.001	G18CV002A	-	118,006
Subtotal High Intensity Drug Trafficking Areas Program 95.001			<u>-</u>	<u>239,383</u>
TOTAL U.S. EXECUTIVE OFFICE OF THE PRESIDENT			<u>-</u>	<u>239,383</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through California Governor's Office of Emergency Services: Emergency Management Performance Grants	97.042	099-00000	-	237,122
Homeland Security Grant Program	97.067	099-00000	-	388,726
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>-</u>	<u>625,848</u>
GRAND TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 7,749,283</u>	<u>\$ 218,284,148</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF STANISLAUS
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 Stanislaus 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 did not elect 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</u>	<u>Federal Program</u>	<u>Outstanding Loans</u>	<u>Loans with Continuing Compliance Requirements</u>
14.218	Community Development Block Grant/Entitlement Grants	\$ 483,449	\$ 513,481
14.228	Community Development Block Grant/States Program	178,848	178,848
14.239	Home Investment Partnership Program	916,697	1,028,480

**COUNTY OF STANISLAUS
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.

NOTE 7 DEPARTMENT OF AGING FEDERAL/STATE SHARE

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

CFDA	Contract No.	Programs		Administration		Total	
		Federal	State	Federal	State	Federal	State
		Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures
10.561	SP-1718-30(July 18 to Sept 18)	\$ 5,834	\$ -	\$ 677	\$ -	\$ 6,511	\$ -
10.561	SP-1819-30(Oct 18 to June 19)	61,337	-	4,737	-	66,074	-
93.041	AP-1819-30	6,241	-	-	-	6,241	-
93.042	AP-1819-30	34,251	-	-	-	34,251	-
93.043	AP-1819-30	39,747	-	-	-	39,747	-
93.044	AP-1819-30	475,286	69,356	65,448	-	540,734	69,356
93.045	AP-1819-30	267,435	44,012	64,142	291	331,577	44,303
93.045	AP-1819-30	364,133	52,173	50,785	77	414,918	52,250
93.052	AP-1819-30	235,540	-	29,706	-	265,246	-
93.053	AP-1819-30	123,809	-	-	-	123,809	-
93.071	MI-1718-30 and MI-1819-30	30,763	8,640	-	-	30,763	8,640
93.778	MS-1819-30	649,725	-	-	-	649,725	-
93.779	HI-1718-30	87,192	171,958	9,688	19,106	96,880	191,064
	Ombudsman Initiative - AP-1819-30	-	44,868	-	-	-	44,868
	TOTAL	\$ 2,381,293	\$ 391,007	\$ 225,183	\$ 19,474	\$ 2,606,476	\$ 410,481

**COUNTY OF STANISLAUS
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? x yes no
 - Significant deficiency(ies) identified? x yes 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
10.561	Supplemental Nutrition Assistance Program
93.563	Child Support Enforcement
93.658	Foster Care
93.958	Block Grants for Community Mental Health Services
93.959	Block Grants for Prevention and Treatment of Substance Abuse

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

Auditee qualified as low-risk auditee? x yes no

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

Section II – Financial Statement Findings

2019 – 001

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During audit procedures over accounts receivable, CLA noted that the Health Clinics and Ancillary Services (Agency Fund) did not record an estimate for the additional amounts due from Medi-Cal due to the Agency Fund operating as an Federally Qualified Health Centers (FQHC) for patients with dates of service on or before June 30, 2019. Additionally, the Agency fund had an error in their calculation for contractual allowances.

Criteria or specific requirement: Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Context: Revenue on these patient accounts was at the time of service and therefore should be recorded based on the service date. The estimate for the contractual allowances should be estimates based on historical experience.

Effect: By not accruing for the additional revenue earned coupled with the error in the estimate for the contractual allowances, the Agency Fund recorded a prior period adjustment of \$1,321,166.

Cause: Revenue was recorded for the additional amounts due from Medi-Cal in the period billed and not during the period of service. Contractual allowances were based on an aging methodology, however based on historical experience the percentages should have been lowered.

Repeat Finding: Not a repeat finding.

Recommendation: CLA proposes that management implement a control to estimate the additional amounts due from Medi-Cal and to perform an analysis on historical billed amounts versus amounts collected to determine contractual allowance percentages.

Views of responsible officials and planned corrective actions: Management agrees with finding and will implement a control estimate to estimate the additional amounts due from Medi-Cal and to perform an analysis on historical billed amounts versus amounts collected to determine contractual allowance percentages.

2019 – 002

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During testing over leases, CLA noted that Rent expense was not being recorded on a straight-line basis over the life of the lease.

Criteria or specific requirement: Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

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

Context: CLA noted that rent expense on leases with escalating rental payments were not recorded on a straight-line basis as required by U.S. GAAP.

Effect: By not recording rent on a straight-line basis, the beginning deferred rent liability balance has been restated resulting in a prior period adjustment of \$(2,243,503).

Cause: The Agency Fund recorded rent expense based on the payment amount instead of recording on a straight-line basis over the life of the lease.

Repeat Finding: Not a repeat finding.

Recommendation: CLA proposes management record rent on a straight-line basis as required by U.S. GAAP

Views of responsible officials and planned corrective actions: Management agrees with finding and will record rent on a straight-line basis.

2019 – 003

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: During our audit the Auditor-Controller office made us aware that the County had violated a Memorandum of Understanding relating to the payment of retirement benefits in excess of Internal Revenue Code Section 415(b) by paying for these retirement benefits in excess of the cap with assets from the StanCERA Trust.

Criteria or specific requirement: Requirements within Memorandum of Understandings should be followed.

Context: Retirement benefits are vested employee benefits, which the County is obligated to pay. Internal Revenue Code Section 415(b) limits the benefit amount that a retired employee may receive from StanCERA, which causes a situation in which certain retirees and beneficiaries are unable to receive the full amount of their vested retirement benefits. To address this, Internal Revenue Code Section 415(m) allows the employer to offer a replacement benefit plan that authorizes the employer to pay retirement benefits in excess of the Section 415(b) cap. On September 23, 2003, the Stanislaus County Board of Supervisors (the Board) adopted the Stanislaus County Retirement Replacement Benefit Plan (the Plan). The plan is unfunded, meaning that there are no contributions held or invested by the Plan. It serves simply as a vehicle for the County to pay directly to the retiree or beneficiary that portion of the full retirement benefit that StanCERA is unable to pay due to the federal statutory cap. The Board concurrently entered into a Memorandum of Understanding (MOU) with StanCERA to implement the Plan. Under the MOU, no StanCERA assets can be used to pay retirement benefits in excess of the cap.

Effect: By not following the MOU the County made inappropriate payments out of the StanCERA trust resulting in a prior period adjustment to recognize the expenditures necessary from the County to

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

reimburse the StanCERA trust related to retirement benefits in excess of the cap in the amount of \$1,682,486.

Cause: The County did not follow the requirements of the Memorandum of Understanding with StanCERA.

Repeat Finding: Not a repeat finding.

Recommendation: The County should implement procedures to better track the requirements of Memorandum of Understandings (MOUs) to ensure that requirements within MOUs are followed.

Views of responsible officials and planned corrective actions: Management agrees with finding.

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 STANISLAUS
SUPPLEMENTARY SCHEDULES OF THE CALIFORNIA OFFICE OF
EMERGENCY SERVICES (CaIOES) GRANTS
YEAR ENDED JUNE 30, 2019**

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period through June 30, 2018	For the Year Ended June 30, 2019	Cumulative as of June 30, 2019	Federal Share	State Share	County Share
<u>KC17010500 - Child Advocacy Center Program</u>						
Personnel services	\$ -	\$ 7,865	\$ 7,865	\$ 7,865	\$ -	\$ -
Operating expenses	15,734	103,401	119,135	81,148	-	22,253
Totals	<u>\$ 15,734</u>	<u>\$ 111,266</u>	<u>\$ 127,000</u>	<u>\$ 89,013</u>	<u>\$ -</u>	<u>\$ 22,253</u>
<u>VW13320500 - Victim/Witness Assistance Program</u>						
Personnel services	\$ 1,565,984	\$ 475,244	\$ 2,041,228	\$ 475,244	\$ -	\$ -
Operating expenses	205,467	96,275	301,742	96,275	-	-
Equipment	75,672	-	75,672	-	-	-
Totals	<u>\$ 1,847,123</u>	<u>\$ 571,519</u>	<u>\$ 2,418,642</u>	<u>\$ 571,519</u>	<u>\$ -</u>	<u>\$ -</u>
<u>UV13040500 - Unserved/Underserved Advocacy & Outreach Program</u>						
Personnel services	\$ 455,648	\$ 198,030	\$ 653,678	\$ 172,007	\$ -	\$ 26,023
Operating expenses	145,584	9,851	155,435	9,851	-	-
Totals	<u>\$ 601,232</u>	<u>\$ 207,881</u>	<u>\$ 809,113</u>	<u>\$ 181,858</u>	<u>\$ -</u>	<u>\$ 26,023</u>
<u>XC160105000 - County Victim Services Program</u>						
Personnel services	\$ 239,591	\$ 174,823	\$ 414,414	\$ 174,823	\$ -	\$ -
Operating expenses	425,247	232,526	657,773	232,526	-	-
Totals	<u>\$ 664,838</u>	<u>\$ 407,349</u>	<u>\$ 1,072,187</u>	<u>\$ 407,349</u>	<u>\$ -</u>	<u>\$ -</u>
<u>XE160105000 - Elder Abuse Program</u>						
Personnel services	\$ 129,912	\$ 100,477	\$ 230,389	\$ 90,003	\$ -	\$ 10,474
Operating expenses	94,935	101,599	196,534	101,599	-	-
Totals	<u>\$ 224,847</u>	<u>\$ 202,076</u>	<u>\$ 426,923</u>	<u>\$ 191,602</u>	<u>\$ -</u>	<u>\$ 10,474</u>
<u>VV18010500- Violence Against Women Vertical Prosecution</u>						
Personnel services	\$ -	\$ 265,781	\$ 265,781	\$ 195,165	\$ -	\$ 70,616
Operating expenses	-	4,279	4,279	4,279	-	-
Totals	<u>\$ -</u>	<u>\$ 270,060</u>	<u>\$ 270,060</u>	<u>\$ 199,444</u>	<u>\$ -</u>	<u>\$ 70,616</u>
<u>LE15 05 0500 - Law Enforcement Specialized Units (LE) Program</u>						
Personnel services	\$ 99,578	\$ -	\$ 99,578	\$ -	\$ -	\$ -
Operating expenses	81,073	-	81,073	-	-	-
Totals	<u>\$ 180,651</u>	<u>\$ -</u>	<u>\$ 180,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF STANISLAUS
SUPPLEMENTARY SCHEDULES OF THE CALIFORNIA OFFICE OF
EMERGENCY SERVICES (CalOES) GRANTS
YEAR ENDED JUNE 30, 2019**

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period through June 30, 2018	For the Year Ended June 30, 2019	Cumulative as of June 30, 2019	Federal Share	State Share	County Share
<u>LE16 06 0500 - Law Enforcement Specialized Units (LE) Program</u>						
Personnel services	\$ 133,222	\$ -	\$ 133,222	\$ -	\$ -	\$ -
Operating expenses	68,781	-	68,781	-	-	-
Totals	<u>\$ 202,003</u>	<u>\$ -</u>	<u>\$ 202,003</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LE17 01 0500 - Law Enforcement Specialized Units (LE) Program</u>						
Personnel services	\$ 60,816	\$ 64,477	\$ 125,293	\$ 64,477	\$ -	\$ -
Operating expenses	34,430	30,302	64,732	30,302	-	-
Totals	<u>\$ 95,246</u>	<u>\$ 94,779</u>	<u>\$ 190,025</u>	<u>\$ 94,779</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LE18 02 0500 - Law Enforcement Specialized Units (LE) Program</u>						
Personnel services	\$ -	\$ 77,665	\$ 77,665	\$ 77,665	\$ -	\$ -
Operating expenses	-	28,904	28,904	28,904	-	-
Totals	<u>\$ -</u>	<u>\$ 106,569</u>	<u>\$ 106,569</u>	<u>\$ 106,569</u>	<u>\$ -</u>	<u>\$ -</u>
<u>578-16 - Interagency Hazardous Materials Pulic Sector Training and Planning Grants</u>						
Personnel services	\$ 11,049	\$ 38,867	\$ 49,916	\$ 38,867	\$ -	\$ -
Totals	<u>\$ 11,049</u>	<u>\$ 38,867</u>	<u>\$ 49,916</u>	<u>\$ 38,867</u>	<u>\$ -</u>	<u>\$ -</u>
<u>FEMA DR-4308-CA - Disaster Grant 2017 Severe Winter Storm 4308</u>						
Personnel services	\$ 147,528	\$ -	\$ 147,528	\$ -	\$ -	\$ -
Operating expenses	243,578	-	243,578	-	-	-
Totals	<u>\$ 391,106</u>	<u>\$ -</u>	<u>\$ 391,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>2018 Emergency Management Performance Grant</u>						
Personnel services	\$ -	\$ 165,704	\$ 165,704	\$ 165,704	\$ -	\$ -
Operating expenses	-	71,418	71,418	71,418	-	-
Totals	<u>\$ -</u>	<u>\$ 237,122</u>	<u>\$ 237,122</u>	<u>\$ 237,122</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF STANISLAUS
SUPPLEMENTARY SCHEDULES OF THE CALIFORNIA OFFICE OF
EMERGENCY SERVICES (CalOES) GRANTS
YEAR ENDED JUNE 30, 2019**

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period through June 30, 2018	For the Year Ended June 30, 2019	Cumulative as of June 30, 2019	Federal Share	State Share	County Share
<u>2016 Homeland Security Grant Program</u>						
Personnel services	\$ 22,419	\$ 45,026	\$ 67,445	\$ 45,026	\$ -	\$ -
Operating expenses	76,533	126,951	203,484	126,951	-	-
Equipment	79,983	182,536	262,519	182,536	-	-
Totals	<u>\$ 178,935</u>	<u>\$ 354,513</u>	<u>\$ 533,448</u>	<u>\$ 354,513</u>	<u>\$ -</u>	<u>\$ -</u>
<u>2017 Homeland Security Grant Program</u>						
Personnel services	\$ 1,234	\$ 9,648	\$ 10,882	\$ 9,648	\$ -	\$ -
Operating expenses	-	1,081	1,081	1,081	-	-
Equipment	325,680	23,325	349,005	23,325	-	-
Totals	<u>\$ 326,914</u>	<u>\$ 34,054</u>	<u>\$ 360,968</u>	<u>\$ 34,054</u>	<u>\$ -</u>	<u>\$ -</u>
<u>2018 Homeland Security Grant Program</u>						
Personnel services	\$ -	\$ 159	\$ 159	\$ 159	\$ -	\$ -
Totals	<u>\$ -</u>	<u>\$ 159</u>	<u>\$ 159</u>	<u>\$ 159</u>	<u>\$ -</u>	<u>\$ -</u>