

COUNTY OF MERCED
SINGLE AUDIT REPORTS
(UNIFORM GUIDANCE)
FOR THE FISCAL YEAR
ENDED JUNE 30, 2021

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REPORTS

**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

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 18, 2022.

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
February 18, 2022

**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, 2021. 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, 2021.

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated February 18, 2022, 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

Brown Armstrong
Accountancy Corporation

Bakersfield, California
July 28, 2022

FINANCIAL STATEMENTS

**COUNTY OF MERCED
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR Pass-Through Grantor Program Title	Assistance Listing Number	Contract or Program Number	Passed Through to Subrecipients	Total 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	19-0737-019-SF	\$ -	\$ 48,278
Plant and Animal Disease, Pest Control, and Animal Care	10.025	20-0709-006-SF	-	65,518
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-0994-0415-SF	-	32,403
Plant and Animal Disease, Pest Control, and Animal Care	10.025	20-1036-012-SF	-	6,293
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-0453-023-SF	-	32,270
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-0737-041-SF	-	66,449
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-0268-032-SF	-	4,049
Plant and Animal Disease, Pest Control, and Animal Care	10.025	20-0270-012-SF	-	13,552
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-0250	-	27,826
Plant and Animal Disease, Pest Control, and Animal Care	10.025	20-0159	-	49,711
Subtotal			-	346,349
Passed Through California Department of Education				
National School Breakfast Program	10.553	01936-SN-24-R	-	34,582
National School Lunch Program	10.555	01936-SN-24-R	-	21,847
Subtotal - Child Nutrition Cluster			-	56,429
Passed Through California Department of Aging				
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	SP-2021-31	-	40,493
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	SP-1920-31	-	23,362
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	CF-1920-31	-	5,086
Passed Through California Department of Public Health				
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	2019264 (HE 2056)	-	290,106
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	2019070 (HE 2004)	-	207,233
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	2019070 (HE 2214)	-	7,284
Passed Through California Department of Social Services				
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	Merced (County 24)	-	6,430,151
Passed Through California Department of Health and Human Services				
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	CIT 0144-20	-	51,643
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	CIT 0144-20	-	20
Subtotal - SNAP Cluster			-	7,055,378
Passed Through California Department of Forestry				
Cooperative Forestry Assistance	10.664	7FG20073	-	20,000
Direct Program				
Regional Conservation Partnership Program	10.932	NRCS# 68-9104-17-094	-	698,527
<i>Total U.S. Department of Agriculture</i>			-	8,176,683
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs				
Supportive Housing Program	14.235	CA0780L9T201608	63,844	111,013
Supportive Housing Program	14.235	CA0984L9T201604	97,451	146,658
Subtotal			161,295	257,671
Passed Through California Department of Housing and Community Development				
Community Development Block Grants/State's Program	14.228	17-CDBG-12022	-	528,213
HOME Investment Partnership Program	14.239	18-HOME-12588	-	201,276
Passed Through California Department of Housing and Urban Development				
Continuum of Care Program	14.267	Merced (County 24)	-	36,385
<i>Total U.S. Department of Housing and Urban Development</i>			161,295	1,023,545

(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, 2021

FEDERAL GRANTOR Pass-Through Grantor Program Title	Assistance Listing Number	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF JUSTICE				
Direct Programs				
Domestic Cannabis Eradication Suppression Program	16.XXX	2020-026	-	87,152
Domestic Cannabis Eradication Suppression Program	16.XXX	2021-028	-	105,273
Subtotal			-	192,425
COVID-19: FY 20 Coronavirus Emergency Supplement	16.034	2020-VD-BX-1691	-	101,348
Passed Through California Governor's Office of Emergency Services				
Crime Victim Assistance	16.575	VW 19 37 0240	-	94,890
Crime Victim Assistance	16.575	VW 20 38 0240	-	343,411
Crime Victim Assistance	16.575	UV 19 02 0240	-	87,437
Crime Victim Assistance	16.575	UV 20 03 0240	-	97,849
Crime Victim Assistance	16.575	XC 19 02 0240	-	142,820
Crime Victim Assistance	16.575	XC 20 03 0240	-	68,991
Crime Victim Assistance	16.575	X15010240	-	43,303
Crime Victim Assistance	16.575	X15010240	-	34,844
Subtotal			-	913,545
Passed Through California Board of Community Corrections Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC-0025-18-MH	-	32,900
<i>Total U.S. Department of Justice</i>			-	1,240,218
U.S. DEPARTMENT OF LABOR				
Passed Through California Employment Development Department (EDD)				
Employment Service/Wagner-Peyser Funded Activities	17.207	Merced (County 24)	-	5,641
Subtotal - Employment Service Cluster			-	5,641
Passed Through California EDD				
Workforce Innovation and Opportunity Act (WIOA) National Emergency Grants	17.277	K9110025	119,187	146,337
WIOA National Emergency Grants	17.277	AA011015	-	258,147
WIOA National Emergency Grants	17.277	AA111015	-	51,576
Subtotal			119,187	456,060
Passed Through California EDD				
WIOA Adult Program	17.258	K9110025	61,248	61,248
WIOA Adult Program	17.258	K9110025	151,812	151,812
WIOA Adult Program	17.258	AA011015	868,059	902,507
WIOA Adult Program	17.258	AA011015	-	97,237
WIOA Adult Program	17.258	AA111015	-	971,758
WIOA Youth Program	17.259	AA011015	1,300,619	1,370,635
WIOA Youth Program	17.259	AA111015	-	471,392
WIOA Dislocated Worker Formula Grants	17.278	K9110025	-	40,428
WIOA Dislocated Worker Formula Grants	17.278	AA011015	-	554,215
WIOA Dislocated Worker Formula Grants	17.278	AA011015	-	1,376
WIOA Dislocated Worker Formula Grants	17.278	AA011015	-	84,499
WIOA Dislocated Worker Formula Grants	17.278	AA011015	-	68,406
WIOA Dislocated Worker Formula Grants	17.278	AA011015	-	150,000
WIOA Dislocated Worker Formula Grants	17.278	AA111015	978,945	1,130,193
WIOA Dislocated Worker Formula Grants	17.278	AA111015	-	24,084
WIOA Dislocated Worker Formula Grants	17.278	AA111015	-	83,607
Subtotal - WIOA Cluster			3,360,683	6,163,397
<i>Total U.S. Department of Labor</i>			3,479,870	6,625,098

(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, 2021**

FEDERAL GRANTOR Pass-Through Grantor Program Title	Assistance Listing Number	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs				
Airport Improvement Program	20.106	3-06-0364-020-2017	-	6,938
COVID-19: Airport Improvement Program	20.106	3-06-0364-021-2020	-	1,717,593
Subtotal			-	1,724,531
Passed Through California Department of Transportation				
Highway Planning and Construction	20.205	FERPL16-5939 (129)	-	33,494
Highway Planning and Construction	20.205	BRLO-5939(103)	-	31,444
Highway Planning and Construction	20.205	BRLO-5939(101)	-	4,576
Highway Planning and Construction	20.205	CML - 5939(124)	-	103,461
Highway Planning and Construction	20.205	BRLO-5939(077)	-	33,321
Highway Planning and Construction	20.205	BRLO-5939(100)	-	4,158
Highway Planning and Construction	20.205	BRLO-5939(078)	-	89,277
Highway Planning and Construction	20.205	HRRRL-5939(118)	-	419,746
Highway Planning and Construction	20.205	FERPL16-5939(125)	-	19,102
Highway Planning and Construction	20.205	BRLO-5939(82)	-	22,271
Highway Planning and Construction	20.205	BRLO-5939(92)	-	81,758
Highway Planning and Construction	20.205	BRLO-5939(070)	-	2,303,736
Highway Planning and Construction	20.205	BRLO-5939(083)	-	74,696
Highway Planning and Construction	20.205	BRLO-5939(102)	-	5,093
Highway Planning and Construction	20.205	HSIPL - 5939 (111)	-	2,088
Highway Planning and Construction	20.205	STPLR-75010 (273)	-	24,894
Highway Planning and Construction	20.205	BROL-5939(107)	-	56,849
Highway Planning and Construction	20.205	HRRRL - 5939 (116)	-	36,049
Highway Planning and Construction	20.205	HSIPL - 5939 (116)	-	629,760
Highway Planning and Construction	20.205	BRLS-5939 (106)	-	3,949
Highway Planning and Construction	20.205	CML - 5939 (117)	-	28,328
Highway Planning and Construction	20.205	STPLR-7500(278)	-	92,550
Subtotal - Highway Planning and Construction Cluster			-	4,100,600
Passed Through California Office of Traffic Safety State and Community Highway Safety	20.600	EM21011	-	74,000
<i>Total U.S. Department of Transportation</i>			-	5,899,131
U.S. DEPARTMENT OF THE TREASURY				
Passed Through California Department of Finance				
COVID-19: Coronavirus Aid Relief and Economic Security (CARES) Act	21.019	Merced (County 24)	999,704	19,493,284
Direct Programs				
COVID-19: Emergency Rental Assistance Program	21.023	Merced (County 24)	1,708,514	1,708,514
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	Merced (County 24)	-	536,687
<i>Total U.S. Department of the Treasury</i>			2,708,218	21,738,485
U.S. GENERAL SERVICES ADMINISTRATION				
Passed Through California Secretary of State				
Help America Vote Act (HAVA) Cybersecurity & Infrastructure	39.011	18G27124	-	20,957
<i>Total U.S. General Services Administration</i>			-	20,957
U.S. DEPARTMENT OF EDUCATION				
Passed Through California Department of Rehabilitation				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	2014030	-	32,121
<i>Total U.S. Department of Education</i>			-	32,121
U.S. ELECTION ASSISTANCE COMMISSION				
Passed Through California Secretary of State				
HAVA Requirements Payments Formula Grant	90.401	18G26124	-	2,026
2018 HAVA Election Security Grants	90.404	20G26124	-	369,580
<i>Total U.S. Election Assistance Commission</i>			-	371,606

(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, 2021

FEDERAL GRANTOR Pass-Through Grantor Program Title	Assistance Listing Number	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through California Department of Aging				
Title VII, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-2021-31	-	3,065
Title VII, Long-Term Care Ombudsman Services for Older Individuals	93.042	AP-2021-31	-	32,579
Title III, Part D, Disease Prevention and Health Promotion Services	93.043	AP-2021-31	-	8,067
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	AP-2021-31	-	167,346
Title III, Part C - Nutrition Services	93.045	AP-2021-31	-	364,391
Title III, Part C - Nutrition Services	93.045	HR 6201	-	98,289
Title III, Part C - Nutrition Services	93.045	HR 748	-	185,049
Nutrition Services Incentive Program	93.053	AP-2021-31	-	58,188
Subtotal - Aging Cluster			-	873,263
National Family Caregiver Support - Title III, Part E	93.052	AP-2021-31	-	108,588
Medicare Enrollment Assistance Program	93.071	MI-2021-31	-	28,042
Passed Through California Department of Public Health				
Public Health Emergency Preparedness	93.069	17-10171 (HE1851)	-	149,791
Passed Through California Department of Public Health				
Project Grants and Cooperative Agreements for Tuberculosis	93.116	2018167	-	34,620
Passed Through California Department of Health Care Services				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	93-15	-	28,937
Passed Through California Department of Public Health				
COVID-19: Immunization Cooperative Agreements	93.268	2018045	-	54,516
Immunization Cooperative Agreements	93.268	2018045	-	47,082
Immunization Cooperative Agreements	93.268	2018045	-	89,109
Subtotal			-	190,707
ELC Enhancing Detection Expansion Funding (20/21)				
ELC Enhancing Detection Expansion Funding (20/21)	93.323	2020224	-	196,567
ELC Enhancing Detection Expansion Funding (20/21)	93.323	2020248	-	650,871
ELC Enhancing Detection Expansion Funding (20/21)	93.323	2021264	-	2,961,642
Subtotal			-	3,809,080
Passed Through California Department of Aging				
State Health Insurance Assistance Program	93.324	HI - 2021-31	-	45,924
Passed Through California Department of Public Health				
COVID-19: Public Health Emergency Response	93.354	COVID-19-2401 (HE 2123)	-	490,586
Pregnancy Assistance Fund Program	93.500	201824 (HE 1882)	-	65,910
Affordable Care Act - Maternal, Infant, and Early Childhood Home Visiting Program	93.505	2019304 (HE 2070)	-	203,984
Passed Through California Department of Social Services				
Promoting Safe and Stable Families	93.556	Merced (County 24)	-	350,271
Promoting Safe and Stable Families	93.556	Merced (County 24)	-	14,386
Subtotal			-	364,657
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	1,201,796
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	153,670
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	7,168,028
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	3,287,607
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	7,005,193
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	1,653,761
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	1,901,217
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	517,710
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	1,358,794
Temporary Assistance for Needy Families	93.558	Merced (County 24)	-	27,451,460
Passed Through California Department of Health and Human Services				
Temporary Assistance for Needy Families	93.558	CIT 0144-20	-	61,992
Subtotal - 477 Cluster			-	51,761,228

(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, 2021**

FEDERAL GRANTOR Pass-Through Grantor Program Title	Assistance Listing Number	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed Through California Department of Child Support Services Child Support Enforcement	93.563	Merced (County 24)	-	5,420,026
Child Support Enforcement Research	93.564	90FD0215-01-00	-	73,183
Passed Through California Department of Social Services Refugee and Entrant Assistance - State Administered Programs	93.566	Merced (County 24)	-	4,663
Passed Through California Department of Health and Human Services Refugee and Entrant Assistance - State Administered Programs	93.566	CIT 0144-20	-	43
Subtotal			-	4,706
Passed Through California Department of Social Services Community - Based Child Abuse Prevention Grant	93.590	Merced (County 24)	-	7,701
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Merced (County 24)	-	223,584
Foster Care - Title IV-E	93.658	CSA 199-12	-	397,733
Foster Care - Title IV-E	93.658	Merced (County 24)	-	2,380,015
Foster Care - Title IV-E	93.658	Merced (County 24)	-	15,907
Foster Care - Title IV-E	93.658	Merced (County 24)	-	37,353
Foster Care - Title IV-E	93.658	Merced (County 24)	-	27,212
Foster Care - Title IV-E	93.658	Merced (County 24)	-	37,851
Foster Care - Title IV-E	93.658	Merced (County 24)	-	59,137
Foster Care - Title IV-E	93.658	Merced (County 24)	-	455
Foster Care - Title IV-E	93.658	Merced (County 24)	-	26,325
Foster Care - Title IV-E	93.658	Merced (County 24)	-	184,281
Foster Care - Title IV-E	93.658	Merced (County 24)	-	198,416
Foster Care - Title IV-E	93.658	Merced (County 24)	-	140,861
Foster Care - Title IV-E	93.658	Merced (County 24)	-	8,972
Foster Care - Title IV-E	93.658	Merced (County 24)	-	62,031
Foster Care - Title IV-E	93.658	Merced (County 24)	-	162,106
Foster Care - Title IV-E	93.658	Merced (County 24)	-	5,048,268
Subtotal			-	8,786,923
Adoption Assistance	93.659	Merced (County 24)	-	379,611
Adoption Assistance	93.659	Merced (County 24)	-	40,007
Adoption Assistance	93.659	Merced (County 24)	-	57,780
Adoption Assistance	93.659	Merced (County 24)	-	4,188,439
Adoption Assistance	93.659	Merced (County 24)	-	9,888
Subtotal			-	4,675,725
Social Services Block Grant	93.667	Merced (County 24)	-	540,708
Child Abuse and Neglect State Grants	93.669	2019327 (HE 2074)	-	32,496
Chafee Foster Care Independence Program	93.674	Merced (County 24)	-	105,368
Passed Through California Department of Health Care Services Children's Health Insurance Program	93.767	2019358	-	122,969

(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, 2021

FEDERAL GRANTOR Pass-Through Grantor Program Title	Assistance Listing Number	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed Through California Department of Social Services				
Medical Assistance Program	93.778	Merced (County 24)	-	922,215
Medical Assistance Program	93.778	Merced (County 24)	-	510,559
Medical Assistance Program	93.778	Merced (County 24)	-	150,598
Medical Assistance Program	93.778	Merced (County 24)	-	1,378,049
Medical Assistance Program	93.778	Merced (County 24)	-	10,358
Medical Assistance Program	93.778	Merced (County 24)	-	100,101
Passed Through California Department of Health Care Services				
Medical Assistance Program	93.778	Merced (County 24)	-	19,080,239
Medical Assistance Program	93.778	Merced (County 24)	-	617,012
Passed Through California Department of Health and Human Services Agency				
Medical Assistance Program	93.778	CIT 0144-20	-	310,626
Passed Through California Department of Aging				
Medical Assistance Program	93.778	MS-2021-28	-	729,667
Passed Through California Department of Health Care Services				
Medical Assistance Program	93.778	2019358	-	561,643
Medical Assistance Program	93.778	2007030	-	80,114
Medical Assistance Program	93.778	2007030	-	151,042
Medical Assistance Program	93.778	2007030	-	27,209
Medical Assistance Program	93.778	2013077	-	673,273
Medical Assistance Program	93.778	17-94084	1,716,721	2,624,534
Medical Assistance Program	93.778	17-94084	-	1,137,442
Passed Through California Department of Public Health				
Medical Assistance Program	93.778	201924 (HE 2076)	-	28,934
Medical Assistance Program	93.778	201824 (HE 1882)	-	45,924
Subtotal - Medicaid Cluster			<u>1,716,721</u>	<u>29,139,539</u>
Passed Through California Department of Public Health				
National Bioterrorism Hospital Preparedness Program	93.889	17-10171 (HE1851)	-	88,045
COVID-19: Hospital Preparedness Program Supplemental Funding 20/21	93.889	COVID-19 -2402 (HE2140)	-	82,700
Subtotal			-	<u>170,745</u>
HIV Care Formula Grants				
COVID: HIV Care COVID Relief (20/21)	93.917	18-10876	-	112,971
HIV Care Formula Grants	93.917	2020205	-	31,267
	93.917	16-10376	-	11,010
Subtotal			-	<u>155,248</u>
Passed Through California Department of Health Care Services				
Block Grants For Community Mental Health Services	93.958	78767951	-	1,024,758
Block Grants for Prevention and Treatment of Substance Abuse	93.959	17-94141	-	1,609,856
Passed Through California Department of Public Health				
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977	202015	-	31,617
Maternal and Child Health Services Block Grant to the States	93.994	201924 (HE 2076)	-	99,723
<i>Total U.S. Department of Health and Human Services</i>			<u>1,716,721</u>	<u>110,423,903</u> <i>(Continued)</i>

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, 2021**

FEDERAL GRANTOR Pass-Through Grantor Program Title	Assistance Listing Number	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through California Governor's Office of Emergency Services Hazard Mitigation Grant Program	97.039	4407-185-22	-	77,021
Emergency Management Performance Grants	97.042	2020-0006	-	181,927
Emergency Management Performance Grants	97.042	2020-0019	-	59,554
Subtotal			-	241,481
Homeland Security Grant Program	97.067	2018-0054	30,567	223,654
Homeland Security Grant Program	97.067	2019-0035	-	62,274
Subtotal			30,567	285,928
<i>Total U.S. Department of Homeland Security</i>			30,567	604,430
<i>Total Expenditures of Federal Awards, Excluding Federal Loan Balances Carried Forward from Prior Year</i>			<u>\$ 8,096,671</u>	<u>\$ 156,156,177</u>
Federal Loan Balances Carried Forward from Prior Year				
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Economic Adjustment Assistance	11.307	N/A	\$ -	\$ 72,371
Community Development Block Grants/State's Program	14.228	N/A	-	2,893,890
HOME Investment Partnership Program	14.239	N/A	-	4,042,732
<i>Total Federal Loan Balances Carried Forward from Prior Year</i>			-	7,008,993
<i>Total Expenditures of Federal Awards, Including Federal Loan Balances Carried Forward from Prior Year</i>			<u>\$ 8,096,671</u>	<u>\$ 163,165,170</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, 2021**

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 Annual Comprehensive Financial Report (ACFR). 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 ACFR, 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:

<u>FEDERAL GRANTOR OR Pass-Through Grantor</u>	<u>Federal Program</u>	<u>Assistance Listing Number</u>	<u>Subrecipient</u>	<u>Contract or Program Number</u>	<u>Amount Provided to Subrecipients</u>
US Department of Housing and Urban Development	Supportive Housing Program	14.235	Merced Community Action Agency	CA0780L9T201608	\$ 63,844
US Department of Housing and Urban Development	Supportive Housing Program	14.235	Merced Community Action Agency	CA0984L9T201604	97,451
State Employment Development Department	WIOA Adult Program	17.258	Arbor E & T	AA011015	1,081,119
State Employment Development Department	WIOA Youth Program	17.259	MCOE	K9110025/AA011015	1,300,619
State Employment Development Department	WIOA National Emergency Grants	17.277	Arbor E & T	AA111015	119,187
State Employment Development Department	WIOA Dislocated Worker	17.278	Arbor E & T	K9110025	978,945
US Department of Treasury	COVID-19: Emergency Rental Assistance Program	21.023	Central Valley Opportunity Center	2021026	1,708,514
CA Department of Health Care Services	Medical Assistance Program	93.778	CSMA	17-94084	772,590
CA Department of Health Care Services	Medical Assistance Program	93.778	CSMA	17-94084	5,113
CA Department of Health Care Services	Medical Assistance Program	93.778	Aegis Medical Systems Inc.	17-94084	939,018
CA Emergency Management Agency	Homeland Security Grant Program	97.067	City of Gustine	2018-0054	4,176
CA Emergency Management Agency	Homeland Security Grant Program	97.067	City of Merced	2018-0054	7,448
CA Emergency Management Agency	Homeland Security Grant Program	97.067	City of Los Banos	2018-0054	18,943
California Department of Finance	COVID-19: Coronavirus Aid Relief and Economic Security (CARES) Act	21.019	Central Valley Opportunity Center	C0004306	999,704
					<u>\$ 8,096,671</u>

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>ASSISTANCE LISTING NUMBER</u>	<u>CONTRACT OR PROGRAM NUMBER</u>	<u>FEDERAL EXPENDITURES</u>	<u>STATE EXPENDITURES</u>
HICAP State Contract	HICAP	93.324	HI -2021-31	\$ 45,924	\$ 181,345
MIPPA State Contract	MIPPA	93.071	MI -2021-31	28,042	-
HICAP State Contract	SMP	State Only	13180	-	5,000
Title III/VII State Contract	Nutrition Services	93.045	AP-2021-31	364,391	245,028
Title III/VII State Contract	NSIP	93.053	AP-2021-31	58,188	-
Title III/VII State Contract	Family Care Support III E	93.052	AP-2021-31	108,588	-
Title III/VII State Contract	Elder Abuse Title VII B	93.041	AP-2021-31	3,065	-
Title III/VII State Contract	Ombudsman Title VII A	93.042	AP-2021-31	32,579	-
Title III/VII State Contract	Disease Prev & Promo Svcs Title III D	93.043	AP-2021-31	8,067	-
Title III/VII State Contract	Supp Svcs & Sr. Ctrs Title III B	93.044	AP-2021-31	167,346	84,556
Title III/VII State Contract	Ombudsman PHL& C	State Only	AP-2021-31	-	1,916
Title III/VII State Contract	Ombudsman Special Deposit Fund (SHF)	State Only	AP-2021-31	-	10,186
Title III/VII State Contract	Ombudsman Skilled Nursing Fac Quality & Acctability Fund	State Only	AP-2021-31	-	9,102
SNAP-ED AAA	SNAP-ED AAA	10.561	SP-2021-31	40,493	-
SNAP-ED AAA	SNAP-ED AAA	10.561	SP-1920-31	23,362	-
CAL FRESH AAA	CAL FRESH AAA	10.561	CF-1920-31	5,086	5,086
Dignity at Home Fall Prevention	DHFP	State Only	FP-1920-31	-	61,218
Families First Coronavirus Response	FFCRA	93.045	HR 6201	98,289	-
Coronavirus Aid	CARES	93.045	HR748	185,049	-
				<u>\$ 1,168,469</u>	<u>\$ 603,437</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, 2021:

	<u>Assistance Listing Number</u>	<u>June 30, 2021 Amount Outstanding</u>
Economic Adjustment Assistance	11.307	\$ 72,371
Community Development Block Grants/State's Programs	14.228	2,893,890
HOME Investment Partnership Program	14.239	<u>4,042,732</u>
		<u>\$ 7,008,993</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 program:

Program Title	Assistance Listing Number	Federal Expenditures
Crime Victim Assistance	16.575	\$ 94,890
Crime Victim Assistance	16.575	343,411
Crime Victim Assistance	16.575	87,437
Crime Victim Assistance	16.575	97,849
Crime Victim Assistance	16.575	142,820
Crime Victim Assistance	16.575	<u>68,991</u>
Total		<u>\$ 835,398</u>

FINDINGS AND QUESTIONED COSTS

**COUNTY OF MERCED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes 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 No

Identification of major programs:

<i>Assistance Listing Number(s)</i>	<i>Name of Federal Program or Cluster</i>
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance
20.106	COVID-19: Airport Improvement Program
21.019	COVID-19: Coronavirus Aid Relief and Economic Security (CARES) Act
21.023	COVID-19: Emergency Rental Assistance Program
93.323	ELC Enhancing Detection Expansion Funding

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

Auditee qualified as low-risk auditee? Yes 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, 2021**

None.