

Attachment A

COUNTY OF SANTA BARBARA, CALIFORNIA
SINGLE AUDIT REPORTS
FOR THE YEAR ENDED
JUNE 30, 2024

**COUNTY OF SANTA BARBARA, CALIFORNIA
SINGLE AUDIT REPORTS
FOR THE YEAR ENDED JUNE 30, 2024**

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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**

The Honorable Board of Supervisors
of the County of Santa Barbara, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Santa Barbara, California (the County), as of and for the year ended June 30, 2024, 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 26, 2024.

Report on 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 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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-01, that we consider to be a significant deficiency. However, we did not identify any deficiencies in internal control that we consider to be material weaknesses. Material weaknesses or additional significant deficiencies may exist that were not identified.

Report on 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

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
December 26, 2024

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

The Honorable Board of Supervisors
of the County of Santa Barbara, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Santa Barbara, California's (the County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2024. 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.

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, 2024.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 aggregate 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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 26, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
March 13, 2025

FINANCIAL STATEMENTS

**COUNTY OF SANTA BARBARA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Number	Total Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
Direct Programs:				
Cooperative Forestry Assistance	10.664	20-LE-11051360-039 A Mod5	\$ 30,062	\$ -
Cooperative Forestry Assistance	10.664	20-LE-11051360-039 B Mod5	13,400	-
Subtotal for 10.664			43,462	-
School Breakfast Program	10.553	-	35,564	-
National School Lunch Program	10.555	-	56,667	-
Subtotal - Child Nutrition Cluster			92,231	-
Watershed Protection and Flood Prevention	10.904	-	5,504,358	-
Passed through California Department of Public Health: Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	22-10287	5,189,194	-
Passed through California Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Santa Barbara	12,739,399	-
Subtotal - SNAP Cluster			12,739,399	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			23,568,644	-
U.S. DEPARTMENT OF EDUCATION				
Passed through CA Dept of Rehabilitation/Foundation for CA Community Colleges:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	H126A220005	70,093	64,350
TOTAL U.S. DEPARTMENT OF EDUCATION			70,093	64,350
U.S. DEPARTMENT OF ENERGY				
Passed through State of California: Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	400-09-024	487,749	-
TOTAL U.S. DEPARTMENT OF ENERGY			487,749	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Programs:				
Affordable Care Act (ACA) Grants for Capital Development in Health Centers	93.526	C8ECS43754	213,484	-
Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program	93.527	H80CS00046	1,155,929	-
Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program	93.527	H8GCS47555	122,608	-
Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program	93.527	H8LCS51497	38,218	-
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	H80CS00046	1,268,392	-
Subtotal - Health Center Program Cluster			2,585,147	-
Congressional Directives	93.493	CE2CS49377	136,160	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	H76HA00193	330,554	-

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 SANTA BARBARA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Number	Total Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed through California Department of Child Support Services:				
Child Support Enforcement	93.563	Santa Barbara (County 42)	6,457,614	-
Passed through California Department of Health Care Services:				
Block Grants for Community Mental Health Services	93.958	-	650,889	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-	316,026	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	12NNA42	2,658,639	334,910
Block Grants for Prevention and Treatment of Substance Abuse	93.959	14-90100	454,063	227,262
Subtotal for 93.959			3,428,728	562,172
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	23-30135	25,000	-
Passed through California Department of Health Services:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2342BASE00	58,582	-
Projects for Assistance in Transition from Homelessness (PATH)	93.150	-	95,040	-
Passed through California Department of Public Health - Office of AIDS:				
HIV Care Formula Grants	93.917	18-10889	180,005	-
HIV Care Formula Grants	93.917	22-10796	70,911	11,129
HIV Care Formula Grants	93.917	23-10983	55,332	-
Subtotal for 93.917			306,248	11,129
Passed through California Department of Public Health:				
Public Health Emergency Preparedness	93.069	22-10683	351,636	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	EPCF4223	10,000	-
Immunization Cooperative Agreements	93.268	22-11056	485,588	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	19ELC42	188,613	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	COVID-19ELC100	924,994	-
Subtotal for 93.323			1,113,607	-
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	CERI-21-23-35	221,905	-
CDC's Collaboration with Academia to Strengthen Public Health	93.967	CASPHI0035	7,511	-
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	21-10585	159,859	-
National Bioterrorism Hospital Preparedness Program	93.889	22-10683	248,859	38,570
Preventive Health and Health Services Block Grant	93.991	23-10345	572,777	-
Maternal and Child Health Services Block Grant to the States	93.994	202342	881,995	-

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 SANTA BARBARA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Number	Total Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed through California Department of Social Services:				
Guardianship Assistance	93.090	Santa Barbara	377,461	-
Promoting Safe and Stable Families	93.556	Santa Barbara	679,528	-
Refugee and Entrant Assistance - State Administered Programs	93.566	Santa Barbara	107,730	-
Subtotal for 93.556			787,258	-
Temporary Assistance for Needy Families	93.558	Santa Barbara	26,377,186	-
Adoption and Legal Guardianship Incentive Payments	93.603	Santa Barbara	97,829	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Santa Barbara	265,762	-
Foster Care - Title IV-E	93.658	Santa Barbara	10,025,381	-
Adoption Assistance	93.659	Santa Barbara	8,261,002	-
Social Services Block Grant	93.667	Santa Barbara	551,780	-
Chafee Foster Care Independence Program	93.674	Santa Barbara	201,139	-
Elder Abuse Prevention Interventions Program	93.747	Santa Barbara	1,636,819	-
Medical Assistance Program	93.778	Santa Barbara	156,579	-
Medical Assistance Program	93.778	Santa Barbara	22,000,072	-
Subtotal - Medicaid Cluster			22,156,651	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			89,079,451	611,871
U.S. DEPARTMENT OF HOMELAND SECURITY				
Direct Programs:				
Hazard Mitigation Grant	97.039	-	1,731,950	-
Passed through CA Governor's Office of Emergency Services:				
Emergency Management Performance Grants	97.042	2023-0006	213,105	-
Homeland Security Grant Program	97.067	2020-0095	70,438	64,984
Homeland Security Grant Program	97.067	2021-0081	24,958	-
Homeland Security Grant Program	97.067	2022-0043	174,061	-
Passed through San Diego Sheriff's Department:				
Homeland Security Grant Program	97.067	(2021OPSG)	213,013	-
Homeland Security Grant Program	97.067	(2022OPSG)	25,797	-
Subtotal for 97.067			508,267	64,984
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			2,453,322	64,984
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	B21UC060509	218,466	218,466
Community Development Block Grants/Entitlement Grants	14.218	B22UC060509	476,724	476,724
Community Development Block Grants/Entitlement Grants	14.218	B23UC060509	345,509	100,605
Subtotal for CDBG - Entitlement Grants Cluster			1,040,699	795,795
Home Investment Partnerships Program	14.239	M18-DC060554	41,036	41,036
Home Investment Partnerships Program	14.239	M19-DC060554	30,450	30,450
Home Investment Partnerships Program	14.239	M21-DP060554	2,077,275	2,020,383
Home Investment Partnerships Program	14.239	M22-DC060554	97,845	97,845
Home Investment Partnerships Program	14.239	M23-DC060554	129,723	-
Subtotal for 14.239			2,376,329	2,189,714

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 SANTA BARBARA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Number	Total Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)				
Continuum of Care Program	14.267	CA0598L9D032215	169,050	-
Continuum of Care Program	14.267	CA1700L9D032205	121,570	-
Continuum of Care Program	14.267	CA2174L9D032200	64,695	-
Subtotal for 14.267			355,315	-
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.269	20-DRMHP-00002	1,247,589	1,239,250
Subtotal for CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster			1,247,589	1,239,250
Passed through Department of Housing and Community Development:				
Emergency Solution Grants Program	14.231	20-ESGCV1-00011	530,590	522,708
Emergency Solution Grants Program	14.231	21-ESG-16010	46,796	46,796
Subtotal for 14.231			577,386	569,504
Passed through United States Department of Housing and Urban Development:				
Youth Homelessness Demonstration Program	14.276	CA2092Y9D032100	72,418	21,909
Youth Homelessness Demonstration Program	14.276	CA2219Y9D032100	29,071	-
Youth Homelessness Demonstration Program	14.276	CA2224Y9D032100	1,472	1,472
Subtotal for 14.276			102,961	23,381
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			5,700,279	4,817,644
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01189-JAGX	824	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02231-JAGX	38,350	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020 DJ-BX-0741	4,853	-
Subtotal for 16.738			44,027	-
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-21-GG-02136-SLEM	65,236	-
Passed through U.S. Department of Justice:				
Services for Trafficking Victims	16.320	15POVC-23-GG-04087-HT	214,195	-
Services for Trafficking Victims	16.320	2019-VT-BX-K040	71,553	-
Subtotal for 16.320			285,748	-
Passed through California Governor's Office of Emergency Services:				
Crime Victim Assistance	16.575	HA22 05 0420	68,562	-
Crime Victim Assistance	16.575	HA23 01 0420	69,728	-
Crime Victim Assistance	16.575	KC22 01 0420	149,127	-
Crime Victim Assistance	16.575	KC23 02 0420	50,874	-
Crime Victim Assistance	16.575	UV22 01 0420	94,200	-
Crime Victim Assistance	16.575	UV23 02 0420	102,701	-
Crime Victim Assistance	16.575	VW23 42 0420	556,257	-
Crime Victim Assistance	16.575	XC22 05 0420	109,343	-
Crime Victim Assistance	16.575	XC23 06 0420	118,256	-
Crime Victim Assistance	16.575	XE22 05 0420	61,765	-
Passed through Governor's Office of Emergency Services:				
Crime Victim Assistance	16.575	VW22 41 0420	195,359	-
Subtotal for 16.575			1,576,172	-
TOTAL U.S. DEPARTMENT OF JUSTICE			1,971,183	-

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 SANTA BARBARA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Number	Total Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF LABOR				
Passed through California Employment Development Department:				
WIA Youth Activities	17.259	AA311028	323,022	190,401
WIA Youth Activities	17.259	AA411028	961,802	569,020
WIA/WIOA Adult Program	17.258	AA311028	863,725	667,878
WIA/WIOA Adult Program	17.258	AA411028	198,993	33,046
WIA/WIOA Dislocated Worker Formula Grants	17.278	AA311028	150,431	84,701
WIA/WIOA Dislocated Worker Formula Grants	17.278	AA411028	551,325	159,956
Passed through Coastal RPU Entities:				
WIA/WIOA Adult Program	17.258	AA311028	37,953	-
Subtotal for WIA/WIOA Cluster			3,087,251	1,705,002
Passed through United States Department of Labor Employment and Training Administration (DOLETA):				
Reintegration of Ex-Offenders	17.270	PE 36546 21 60 A 6	356,350	231,498
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	DW370092160A6	1,385,190	965,679
Passed through Department of Social Services:				
Homeless Veterans Reintegration Project	17.805	Santa Barbara	7,000	-
TOTAL U.S. DEPARTMENT OF LABOR			4,835,791	2,902,179
U.S. DEPARTMENT OF THE TREASURY				
Direct Programs:				
COVID-19 - American Rescue Plan Act - Coronavirus State and Local Fiscal Recovery Funds	21.027	-	21,895,557	-
COVID-19 - Local Assistance and Tribal Consistency Fund	21.032	HN6PNVJ8K8Y6	2,291,369	-
COVID-19 - Emergency Rental Assistance Program	21.023	ERAE0101	41,007	41,007
TOTAL U.S. DEPARTMENT OF THE TREASURY			24,227,933	41,007
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Airport Improvement Program	20.106	-	4,534	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL23010	39,947	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL24022	115,223	-
Subtotal for 20.608			155,170	-
National Priority Safety Programs	20.616	TR23007	85,407	-
Passed through CalTrans:				
Highway Planning and Construction	20.205	05-5951/N054	3,851	-
Highway Planning and Construction	20.205	05-5951F15	8,375	-
Highway Planning and Construction	20.205	5951(178)	1,119	-
Highway Planning and Construction	20.205	05-5951(151)	314,040	-
Highway Planning and Construction	20.205	05-5951/M015	3,090,092	-
Highway Planning and Construction	20.205	05-930143	14,544	-
Highway Planning and Construction	20.205	05-NBIL(526)	21,178	-
Highway Planning and Construction	20.205	BRLO-NBIL(512)	4,025,788	-
Highway Planning and Construction	20.205	HSIPL-5951(169)	14	-
Highway Planning and Construction	20.205	HSIPL-5951(170)	2,863	-
Highway Planning and Construction	20.205	HSIPL-5951(181)	9,341	-
Highway Planning and Construction	20.205	HSIPL-5951(182)	5,700	-
Subtotal - 20.205			7,496,905	-

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 SANTA BARBARA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number</u>	<u>Total Expenditures</u>	<u>Passed Through to Subrecipients</u>
U.S. DEPARTMENT OF TRANSPORTATION (Continued)				
Passed through Santa of California Office of Traffic Safety:				
State and Community Highway Safety	20.600	PT23067	16,335	-
State and Community Highway Safety	20.600	PT24185	91,376	-
			<u>107,711</u>	<u>-</u>
Subtotal for Highway Safety Cluster				
			<u>107,711</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>7,849,727</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 160,244,172</u>	<u>\$ 8,502,035</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 SANTA BARBARA, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

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 Santa Barbara, California (the County). The County's reporting entity is defined in Note 1 of the notes to the County's basic financial statements. All financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies to the County are included in the accompanying schedule.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying SEFA is presented using the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary funds, which is described in Note 1 of the notes to the County's basic financial statements.

NOTE 3 – RELATIONSHIP TO ANNUAL COMPREHENSIVE FINANCIAL REPORT

Amounts reported in the accompanying SEFA agree, in all material respects, to amounts reported within the County's Annual Comprehensive Financial Report.

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying SEFA agree, in all material respects, with the amounts reported in related federal financial reports.

NOTE 5 – INDIRECT COST RATE

The County has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

FINDINGS AND QUESTIONED COSTS

**COUNTY OF SANTA BARBARA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

SECTION 1

Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
- a. Material weakness identified? ☐ Yes ☒ No
- b. Significant deficiencies identified
not considered to be material weaknesses? ☒ Yes ☐ No
3. Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

1. Internal control over major federal programs:
- a. Material weakness identified? ☐ Yes ☒ No
- b. Significant deficiencies identified
not considered to be material weaknesses? ☐ Yes ☒ No
2. Type of auditor's report issued on compliance
for major programs: Unmodified
3. Any audit findings disclosed that are required to be reported
in accordance with the Uniform Guidance, under 2 CFR
§200.516(a)? ☐ Yes ☒ No
4. Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
17.258/17.259/17.278	WIOA Cluster
93.778	Medical Assistance Program (Medicaid Cluster)
93.563	Child Support Enforcement
10.904	Watershed Protection and Flood Prevention

5. Dollar threshold used to distinguish between Type A and
Type B programs: \$3,000,000
6. Auditee qualified as low-risk auditee under the Uniform
Guidance? ☒ Yes ☐ No

COUNTY OF SANTA BARBARA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2024

SECTION 2

Findings Relating to Financial Statements Reported in Accordance with *Government Auditing Standards*

2024-01

Condition

During our search for unrecorded liabilities, we identified approximately \$2.6 million of unrecorded accruals in the Self-Insurance Fund as of June 30, 2024. These consisted of approximately \$1.6 million payment due to Public Risk Innovation, Solutions, and Management (PRISM) and \$1.0 million in litigation claims that met the criteria of probable and estimable. These items were subsequently corrected by management.

Criteria

Accounting principles generally accepted in the United States of America require liabilities to be recorded when probable and estimable. Expenditures and the related liabilities should be recognized in the accounting period in which the liability is incurred.

Cause of Condition

The condition occurred due to staff turnover near fiscal year-end. Specifically, the employee responsible for posting year-end accruals departed the County of Santa Barbara (the County), and adequate cross-training or transition procedures were not in place to ensure continuity of this critical year-end process.

Potential Effect of Condition

Without proper controls over year-end accruals, liabilities could be understated, leading to misstatement of the financial statements. In this case, liabilities were initially understated by approximately \$2.6 million before the correction was made.

Recommendation

We recommend the County implement cross-training protocols to ensure multiple staff members are familiar with the accrual process. Additionally, we suggest creating a detailed checklist of recurring accruals that require review at year-end. Furthermore, it would be beneficial to consider implementing additional review procedures when staff turnover occurs near critical reporting deadlines.

Management's Response

We agree with the findings. To ensure this does not happen in subsequent fiscal years, Risk Management has already identified and implemented appropriate cross-training protocols to ensure that multiple staff members are familiar with the accrual process.

We have established a regular meeting schedule to review fiscal standing on a biweekly basis to avoid future recurrences of this and make sure all appropriate personnel are aware of all claims and if we need to accrue any into the next year and a checklist for premium accruals has been created.

SECTION 3

Findings and Recommendations Relating to Federal Awards

None.

**COUNTY OF SANTA BARBARA, CALIFORNIA
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Findings Relating to Financial Statements Reported in Accordance with *Government Auditing Standards*

None.

Findings and Recommendations Relating to Federal Awards

None.