

Attachment



Federal Awards Reports in Accordance
with the Uniform Guidance
Fiscal Year Ended June 30, 2021

County of Santa Barbara, California

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*..... 1

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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*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Santa Barbara, California (the County), as of and for the 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 December 31, 2021. Our report includes a reference to other auditors who audited the financial statements of the Santa Barbara County Employees' Retirement System, as described in our report on the County's financial statements. 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. Our report also includes an emphasis-of-matter regarding the County's adoption of Governmental Auditing Standards Board Statement No. 84, *Fiduciary Activities*, effective July 1, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 31, 2021



Independent Auditor’s Report on Compliance for Each Major Federal Program; 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 Santa Barbara, California

Report on Compliance for Each Major Federal Program

We have audited the County of Santa Barbara, California’s (the County) compliance with the types of compliance requirements described in the *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, 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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the County’s compliance.

Basis for Qualified Opinion on Coronavirus Relief Fund

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding CFDA 21.019 Coronavirus Relief Fund as described in finding number 2021-001 for Activities Allowed or Unallowed, & Allowable Costs/Costs Principles. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinion on Coronavirus Relief Fund

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 CFDA 21.019 Coronavirus Relief Fund for the year ended June 30, 2021.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2021-003. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs and the County's separate corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

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

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-002 and 2021-003 to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and separate corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 31, 2021, which contained unmodified opinions on those financial statements. Our report included a reference to other auditors who audited the financial statements of the Santa Barbara County Employees' Retirement System, as described in our report on the County's financial statements. Our report also includes an emphasis-of-matter regarding the County's adoption of Governmental Auditing Standards Board Statement No. 84, Fiduciary Activities, effective July 1, 2020. 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.



Rancho Cucamonga, California
June 29, 2022

County of Santa Barbara, California
Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/ Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE:				
CHILD NUTRITION CLUSTER				
Direct Programs:				
School Breakfast Program	10.553		\$ -	\$ 23,768
National School Lunch Program	10.555		-	35,042
Total Child Nutrition Cluster			-	58,810
Cooperative Forestry Assistance	10.664	15-LE-11051360-039 A	-	11,758
Cooperative Forestry Assistance	10.664	15-LE-11051360-039 B	-	9,000
Sub-total Direct Programs			-	79,568
Passed Through California Department of Public Health:				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	19-10186	-	3,610,585
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) CLUSTER				
Passed Through California Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Santa Barbara	-	8,038,477
Total SNAP Cluster			-	8,038,477
Total U.S. Department of Agriculture			-	11,728,630
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
CDBG - ENTITLEMENT GRANTS CLUSTER				
Direct Programs:				
Community Development Block Grant/Entitlement Grants	14.218	B17UC060509	-	12,782
Community Development Block Grant/Entitlement Grants	14.218	B18UC060509	204,758	288,863
Community Development Block Grant/Entitlement Grants	14.218	B19UC060509	574,563	575,026
Community Development Block Grant/Entitlement Grants	14.218	B20UC060509	103,529	179,229
Community Development Block Grant/Entitlement Grants	14.218	B20UW060509	635,429	900,173
Total CDBG - Entitlement Grants Cluster			1,518,279	1,956,073
Supportive Housing Program	14.235	CA0598L9D031811	-	24,865
Supportive Housing Program	14.235	CA0598L9D031912	-	169,050
Supportive Housing Program	14.235	CA1700L9D031801	71,617	71,727
Supportive Housing Program	14.235	CA1700L9D031902	98,245	104,145
Supportive Housing Program	14.235	CA1797L9D031800	-	5,386
Supportive Housing Program	14.235	CA1825H9D031800	-	26,108
Supportive Housing Program	14.235	CA1891L9D031900	-	52,861
Sub-total			169,862	454,142
Home Investment Partnerships Program	14.239	M16-DC060554	21,675	21,675
Home Investment Partnerships Program	14.239	M18-DC060554	114,624	114,624
Home Investment Partnerships Program	14.239	M20-DC060554	-	126,534
Sub-total			136,299	262,833
Continuum of Care Program	14.267		-	115,315
Sub-total			-	115,315
Passed through California Department of Health Care Services:				
Emergency Solution Grants Program	14.231	N/A	-	33,589
Passed through California Department of Housing and Community Development:				
Emergency Solution Grants Program	14.231	18-ESG-12343	57,267	57,267
Emergency Solution Grants Program	14.231	19-ESG-13128	243,608	252,849
Emergency Solution Grants Program	14.231	20-ESGCV1-00011	544,113	615,868
Sub-total			844,988	925,984
Total Emergency Solution Grants Program			844,988	959,573
Total U.S. Department of Housing and Urban Development			2,669,428	3,747,936
U.S. DEPARTMENT OF JUSTICE:				
Direct Programs:				
Services for Trafficking Victims	16.320	2019-VT-BX-K005	-	212,360
Services for Trafficking Victims	16.320	2016-VT-BX-K019	-	89,208
Services for Trafficking Victims	16.320	2019-VT-BX-K040	-	210,896
Sub-total			-	512,464
Edward Byrne Memorial Justice Assistance Grant Program	16.738		-	223,364
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017 DJ-BX-0999	-	39,797
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018 DJ-BX-0116	-	1,615
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 640-19	-	636,217
Sub-total			-	900,993
Passed Through California Governor's Office of Criminal Justice Planning:				
Byrne Formula Grant Program	16.738	2021-42	-	45,117
Sub-total			-	946,110
Passed through California Board of State and Community Corrections:				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	N/A	-	9,226

County of Santa Barbara, California
 Schedule of Expenditures of Federal Awards
 Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/ Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
Passed Through California Governor's Office of Emergency Services:				
Crime Victim Assistance	16.575	HA19 02 0420	\$ -	\$ 56,873
Crime Victim Assistance	16.575	HA20 03 0420	-	77,373
Crime Victim Assistance	16.575	KC19 03 0420	-	147,694
Crime Victim Assistance	16.575	KC20 04 0420	-	52,644
Crime Victim Assistance	16.575	UV19 04 0420	-	53,114
Crime Victim Assistance	16.575	UV20 05 0420	-	111,197
Crime Victim Assistance	16.575	XC19 02 0420	-	94,323
Crime Victim Assistance	16.575	XC20 03 0420	-	107,605
Crime Victim Assistance	16.575	VW19 38 0420	-	171,651
Crime Victim Assistance	16.575	VW20 39 0420	-	527,296
Sub-total			-	1,399,770
Direct Programs:				
Crime Victim Assistance	16.575	XE19 02 0420	-	59,114
Crime Victim Assistance	16.575	XE20 03 0420	-	72,694
Total Crime Victim Assistance			-	1,531,578
Total U.S. Department of Justice			-	2,999,378
U.S. DEPARTMENT OF LABOR:				
WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) CLUSTER				
Passed Through Coastal RPU Entities:				
WIA/WIOA Adult Program	17.258	AA111028	2,800	2,800
Passed Through California Employment Development Department:				
WIA/WIOA Adult Program	17.258	AA111028	318,596	591,617
WIA/WIOA Adult Program	17.258	AA111028	265,890	468,144
Sub-total			587,286	1,062,561
WIA Youth Activities	17.259	AA111028	167,063	474,754
WIA Youth Activities	17.259	AA111028	477,365	797,988
Sub-total			644,428	1,272,742
WIA/WIOA Dislocated Worker Formula Grants	17.278	AA111028	333,381	666,505
WIA/WIOA Dislocated Worker Formula Grants	17.278	AA111028	170,554	509,577
WIA/WIOA Dislocated Worker Formula Grants	17.278	K9110048	66,946	116,514
Sub-total			570,881	1,292,596
Sub-total Passed through California Employment Development Department			1,799,795	3,625,099
Total Workforce Innovation and Opportunity Act (WIOA) Cluster			1,802,595	3,627,899
Passed Through California Employment Development Department:				
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	AA111028	193,633	217,581
Total U.S. Department of Labor			1,996,228	3,845,480
U.S. DEPARTMENT OF TRANSPORTATION:				
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER				
Passed through California Department of Transportation:				
Highway Planning and Construction	20.205	05-5951/N054	-	96,894
Highway Planning and Construction	20.205	05-930143	-	130,373
Highway Planning and Construction	20.205	ER32LQ(023)	-	332,782
Highway Planning and Construction	20.205	HSIPL-5951(149)	-	251,647
Highway Planning and Construction	20.205	ER32LQ(025)	-	182,061
Highway Planning and Construction	20.205	ER32LQ(462)	-	325,866
Highway Planning and Construction	20.205	ER38M0(001)	-	1,040
Highway Planning and Construction	20.205	ER38M0(002)	-	205,367
Highway Planning and Construction	20.205	ER38M0(006)	-	140,864
Highway Planning and Construction	20.205	05-5951(151)	-	244,066
Highway Planning and Construction	20.205	05-5951(152)	-	24,587
Highway Planning and Construction	20.205	05-5951/M015	-	206,625
Highway Planning and Construction	20.205	05-930143	-	735,931
Sub-total			-	2,878,103
Total Highway Planning and Construction Cluster			-	2,878,103
Direct Programs:				
Airport Improvement Program	20.106		-	345,464
Sub-total			-	345,464
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL21020	-	164,263
Sub-total			-	164,263
Passed through California State Office of Traffic Safety:				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT20165, 21139	-	34,888
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated			-	199,151

County of Santa Barbara, California
Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/ Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
HIGHWAY SAFETY CLUSTER				
State and Community Highway Safety	20.600	EM21016	\$ -	\$ 72,078
State and Community Highway Safety	20.600	PT20165, 21139	-	12,438
Sub-total			-	84,516
Total Highway Safety Cluster			-	84,516
Total U.S. Department of Transportation			-	3,507,234
U.S. DEPARTMENT OF THE TREASURY				
Passed through State of California:				
COVID-19 Coronavirus Relief Fund	21.019	21.019-Coronavirus Relief Fund	-	46,069,250
Total U.S. Department of the Treasury			-	46,069,250
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
HEALTH CENTER PROGRAM CLUSTER				
Direct Programs:				
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care For The Homeless, and Public Housing Primary Care)	93.224	H80CS00046	-	998,451
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care For The Homeless, and Public Housing Primary Care)	93.224		-	2,002,821
COVID-19 - Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care For The Homeless, and Public Housing Primary Care)	93.224	H8DCS35548	-	464,350
COVID-19 - Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care For The Homeless, and Public Housing Primary Care)	93.224	H8ECS38981	-	225,449
Sub-total			-	3,691,071
Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program	93.527	H80CS00046	-	1,342,810
Total Health Center Program Cluster			-	5,033,881
MEDICAID CLUSTER				
Direct Programs:				
Medical Assistance Program	93.778		-	7,500
Passed through California Department of Health Care Services:				
Medical Assistance Program	93.778	42	-	1,035,627
Medical Assistance Program	93.778	42	-	6,407,818
Sub-total			-	7,443,445
Passed through California Department of Social Services:				
Medical Assistance Program	93.778	Santa Barbara	-	21,631,134
Total Medicaid Cluster			-	29,082,079
Passed through California Department of Public Health:				
Public Health Emergency Preparedness	93.069	17-10193	-	337,276
Immunization Cooperative Agreements	93.268	17-10348	-	336,853
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	ELC42	281,875	4,083,715
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	ELC100	-	2,414,837
Passed through Heluna Health:				
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6NU50CK000539-01-08 DHHS-CDC	-	248,239
Total COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			281,875	6,746,791
Passed through California Department of Public Health:				
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	COVID-19-4201	-	65,850
National Bioterrorism Hospital Preparedness Program	93.889	17-10193	30,088	215,497
COVID-19 National Bioterrorism Hospital Preparedness Program	93.889	COVID-19-4202	-	140,763
Sub-total			30,088	356,260
HIV Care Formula Grants:				
HIV Care Formula Grants	93.917	18-10771	20,834	70,568
HIV Care Formula Grants	93.917	18-10889	-	198,372
COVID-19 - HIV Care Formula Grants	93.917	19-11161	-	49,486
Sub-total			20,834	318,426
Preventive Health and Health Services Block Grant	93.991	19-10332	-	468,590
Maternal and Child Health Services Block Grant to the States	93.994	202042	-	937,198
Sub-total Passed through California Department of Public Health			332,797	9,567,244

County of Santa Barbara, California
Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/ Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
Passed through California Department of Health Care Services:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2042BASE00	\$ -	\$ 66,465
Projects for Assistance in Transition from Homelessness (PATH)	93.150	N/A	-	58,148
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	16-93231	-	25,000
Block Grants for Community Mental Health Services	93.958	N/A	-	571,074
Block Grants for Prevention and Treatment of Substance Abuse	93.959	12NNA42	574,601	2,204,576
Block Grants for Prevention and Treatment of Substance Abuse	93.959	14-90100	134,746	454,063
Sub-total			<u>709,347</u>	<u>2,658,639</u>
Sub-total Passed through California Department of Health Care Services			<u>709,347</u>	<u>3,379,326</u>
Passed through California Department of Social Services:				
Guardianship Assistance:				
Guardianship Assistance	93.090	Santa Barbara	-	262,414
Promoting Safe and Stable Families	93.556	Santa Barbara	-	321,995
Temporary Assistance for Needy Families	93.558	Santa Barbara	-	20,243,015
Refugee and Entrant Assistance - State Administered Program	93.566	Santa Barbara	-	5,568
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Santa Barbara	-	274,402
Foster Care:				
Foster Care - Title IV-E	93.658	Santa Barbara	-	10,128,190
Adoption Assistance:				
Adoption Assistance	93.659	Santa Barbara	-	7,309,350
Social Services Block Grant	93.667	Santa Barbara	-	551,780
Chafee Foster Care Independence Program	93.674	Santa Barbara	-	87,930
Sub-total Passed through California Department of Social Services			<u>-</u>	<u>39,184,644</u>
Passed through Substance Abuse and Mental Health Services Administration:				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	1H79TI080118-01	-	42,015
Passed through California Governor's Office of Emergency Services:				
Child Welfare Research Training or Demonstration	93.648	ES19 02 0420	-	163,625
Child Welfare Research Training or Demonstration	93.648	ES20 03 0420	-	112,349
Sub-total Passed through California Governor's Office of Emergency Services			<u>-</u>	<u>275,974</u>
Passed through California Department of Child Support Services:				
Child Support Enforcement	93.563	Santa Barbara (County 42)	-	5,909,146
Direct Programs:				
COVID-19 - Provider Relief Fund	93.498		-	1,085,909
Community-Based Child Abuse Prevention Grants	93.590		-	30,555
Opioid STR	93.788		-	41,279
Block Grants for Community Mental Health Services	93.958		-	522,000
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	H76HA00193	-	254,633
COVID-19 - Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	H7CHA37296	-	3,661
Sub-total			<u>-</u>	<u>258,294</u>
Sub-total Direct Programs			<u>-</u>	<u>1,938,037</u>
Total U.S. Department of Health and Human Services			<u>1,042,144</u>	<u>94,412,346</u>

County of Santa Barbara, California
Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/ Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY				
Direct Programs:				
Assistance to Firefighters Grant	97.044	EMW-2019-FG-02457	\$ -	\$ 234,508
Assistance to Firefighters Grant	97.044	EMW-2020-FG-00490	-	128,844
Sub-total			-	363,352
 Homeland Security Grant Program	 97.067		 -	 79,715
Sub-total Direct Programs			-	443,067
Passed through California Governor's Office of Emergency Services:				
Homeland Security Grant Program	97.067	N/A	-	20,414
Homeland Security Grant Program	97.067	2019, OES #083-00000	-	157,538
Sub-total Passed through California Governor's Office of Emergency Services			-	177,952
Passed through San Diego Sheriff's Department :				
Homeland Security Grant Program	97.067	556046	-	80,225
Total Homeland Security Grant Program			-	337,892
Passed through California Governor's Office of Emergency Services:				
Emergency Management Performance Grants	97.042	2020-0006	-	216,467
Total U.S. Department of Homeland Security			-	917,711
U.S. DEPARTMENT OF EDUCATION				
Passed through California Department of Rehabilitation:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	H126A190005	59,629	94,717
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	-	436,815
Sub-total Passed through California Department of Rehabilitation			59,629	531,532
Total U.S. Department of Education			59,629	531,532
U.S. DEPARTMENT OF ENERGY				
Passed through State of California:				
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	400-09-024	-	99,469
Total U.S. Department of Energy			-	99,469
ELECTION ASSISTANCE COMMISSION				
Passed through State of California:				
Help America Vote Act Requirements Payment	90.401	20G26142	-	851,622
Total Election Assistance Commission			-	851,622
FEDERAL COMMUNICATIONS COMMISSION				
Passed through Oregon Community Health Information Network (OCHIN):				
COVID-19 Telehealth Program	32.006	OCHIN MOU	-	22,000
Total Federal Communications Commission			-	22,000
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 5,767,429	\$ 168,732,588

Note 1 - General

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal award activity of the County of Santa Barbara, California (the County) under programs of the federal government for the year ended June 30, 2021. The County's reporting entity is defined in Note 1 of the County's financial statements. These financial statements include the operations of the Santa Barbara County Employees' Retirement System (SBCERS), a fiduciary component unit. The information is presented in accordance with the 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). Because the SEFA presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the County.

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. When applicable, 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.

Note 3 - Relationship to Comprehensive Annual 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 minimus indirect cost rate allowed under the Uniform Guidance.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified for all major federal programs except for Department of the Treasury - CFDA 21.019 COVID-19 Coronavirus Relief Fund, which was qualified for Activities Allowed or Unallowed, Allowable Costs/ Cost Principles
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	Yes

Identification of major programs:

Name of Major Federal Program/Cluster	Federal Financial Assistance Listing/CFDA Number
WIOA Cluster	17.258, 17.259, 17.278
COVID-19 Coronavirus Relief Fund	21.019
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323
Block Grants for Prevention and Treatment of Substance Abuse	93.959
Adoption Assistance	93.659
Child Support Enforcement	93.563
Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None identified.

Section III – Federal Award Findings and Questioned Costs

2021-001 **Program:** COVID-19 Coronavirus Relief Fund
CFDA No.: 21.019
Federal Grantor: U.S. Department of the Treasury
Passed-through: State of California
Award No. and Year: 2020

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Type of Finding: Material Weakness in Internal Control and Instance of Non-Compliance

Criteria:

2 CFR 200.403, Factors affecting allowability of costs, states that except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal Awards: not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period.

Condition:

During our testing of the County’s compliance with the Activities Allowed or Unallowed, and Allowable Costs/Costs Principles compliance requirements, we noted that 2 out of 60 non-payroll program expenditure samples selected were also reported for reimbursement through other grants.

Additionally, during our testing of the County’s compliance with the Activities Allowed or Unallowed, & Costs/Costs Principles compliance requirements, we noted the County Coronavirus Relief Fund program expenditures included \$28,355,334 for salaries and employee benefits for presumptively substantially dedicated employees. Based on inquiry and review of the expenditure detail, we noted that 60 expenditures were also reported for reimbursement through other grants.

In applying the criteria above, as the expenditures were already claimed through other grants, they would not be eligible to be covered under the Coronavirus Relief Fund.

Cause:

The condition was caused by the County Executive Office not verifying with the departments that expenditures claimed under the Coronavirus Relief Fund had not been claimed for reimbursement under other grants.

Effect:

Failure to follow the Activities Allowed or Unallowed, & Allowable Costs/Cost Principles compliance requirements results in non-compliance with Federal regulations, and the control environment over the claiming process is weakened.

Questioned Costs:

For the 2 out of 60 non-payroll program expenditures claimed under both the Coronavirus Relief Fund and other grants, the known questioned costs totaled \$357,423.

For the 60 payroll program expenditures claimed under both the Coronavirus Relief Fund and other grants, the known questioned costs totaled \$46,527.

Context/Sampling:

A nonstatistical sample of 60 transactions were selected from the non-payroll program expenditures, which accounted for \$2,192,522 of the total non-payroll population of \$3,458,623.

A nonstatistical sample of 60 payroll program expenditures, which accounted for \$46,527 of the total presumptively substantially dedicated employee expenditure population of \$28,355,334, were claimed under reimbursement under the Coronavirus Relief Fund and other grants.

Repeat Finding from Prior Years:

No.

Recommendation:

We recommend that the County modify and strengthen its current policies and procedures to ensure that program expenditures are not claimed for reimbursement under multiple programs.

Views of Responsible Officials:

Management agrees. See separately issued Corrective Action Plan.

2021-002 **Program:** COVID-19 Coronavirus Relief Fund
CFDA No.: 21.019
Federal Grantor: U.S. Department of the Treasury
Passed-through: State of California
Award No. and Year: 2020

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Type of Finding: Significant Deficiency in Internal Control

Criteria:

2 CFR 200.430(i), Standards for Documentation of Personnel Expenses, states that charges to Federal awards for salaries and wages records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable and properly allocated.

Condition:

During our testing of the County's compliance with the Activities Allowed or Unallowed, & Allowable Costs/Costs Principles compliance requirements, we noted that in 1 of 60 payroll program expenditure selected, the employee's timecard was not approved by a supervisor.

Cause:

The County's procedures did not consistently ensure that the review of timecards was documented.

Effect:

Lack of review for personnel hours could lead to unallowable activities and costs to be charged to the Federal program.

Questioned Costs:

No questioned costs were identified as a result of our procedures.

Context/Sampling:

A nonstatistical sample of 60 totaling \$132,894 out of \$14,255,294 payroll program expenditures were selected for Activities Allowed or Unallowed, & Allowable Costs/Costs Principles payroll testing.

Repeat Finding from Prior Years:

No.

Recommendation:

We recommend that the County modify and strengthen its current policies and procedures to ensure that all timecards consistently document evidence of supervisor approval. The procedures should also address the compensating controls for circumstances where obtaining a supervisor's approval is not possible.

Views of Responsible Officials:

Management agrees. See separately issued Corrective Action Plan.

2021-003

Program: Block Grants for Prevention and Treatment of Substance Abuse

CFDA No.: 93.959

Federal Grantor: U.S. Department of Health and Human Services

Passed-through: California Department of Health Care Services

Award No. and Year: 12NNA42 and 14-90100 (2020)

Compliance Requirements: Subrecipient Monitoring

Type of Finding: Significant Deficiency in Internal Control and Instance of Non-Compliance

Criteria:

2 CFR 200.332(a), Requirements for Pass-Through Entities, states that all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the information at 2 CFR 200.332(a) at the time of the subaward and if any of those data elements change, include the changes in subsequent subaward modification.

Condition:

During our testing of the County (Behavioral Wellness Department) policies and procedures over subrecipient monitoring, 1 out of 6 of the agreements with a subrecipient did not clearly identify the following information at the time of subaward:

- CFDA number and name
- Subrecipient's unique entity identifier
- Federal Award Identification Number (FAIN)
- Federal award date

Cause:

The condition was caused by certain policies and procedures not being aligned with the requirements applicable to subrecipients in 2 CFR 200.332.

Effect:

The Behavioral Wellness Department did not identify the required elements of the subaward to the subrecipient at the time of subaward, increasing the risk of noncompliance.

Questioned Costs:

No questioned costs were identified as a result of our procedures.

Context/Sampling:

A nonstatistical sample of 6 out of 6 total subrecipients were selected for testing. The condition noted above was identified during our procedures over the Behavioral Wellness Department's subrecipient monitoring provisions.

Repeat Finding from Prior Years:

Yes.

Recommendation:

We recommend that the County modify and/or strengthen its policies and procedures to ensure that all required award information is clearly communicated to subrecipients at the time of subaward in accordance with 2 CFR 200.332(a).

Views of Responsible Officials:

Management agrees. See separately issued Corrective Action Plan.

Financial Statement Findings:

None reported.

Federal Award Findings:

Finding No.	Program	CFDA No.	Compliance Requirements	Status of Corrective Action
2020-001	Block Grants for Prevention and Treatment of Substance Abuse	93.959	Subrecipient Monitoring	In progress. See Finding 2021-003.



Office of the Auditor-Controller

County of Santa Barbara

One Office. One County. One Future.

Betsy M. Schaffer, CPA
Auditor-Controller

C. Edwin Price, Jr., CPA
Assistant Auditor-Controller

**COUNTY OF SANTA BARBARA,
CALIFORNIA**

**CORRECTIVE ACTION PLAN
AND
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

FOR THE YEAR ENDED JUNE 30, 2021

Compiled by:
Juan Izquierdo, CPA
Financial Reporting, Budget, and Cost Division Chief

COUNTY OF SANTA BARBARA, CALIFORNIA

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2021

I. FINANCIAL STATEMENT FINDINGS

None identified.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2021-001

Program: COVID-19 Coronavirus Relief Fund

CFDA No.: 21.019

Federal Grantor: U.S. Department of the Treasury

Passed-through: State of California

Award No. and Year: 2020

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Type of Finding: Material Weakness in Internal Control and Instance of Non-Compliance

Questioned Costs: For the 2 out of 60 non-payroll program expenditures claimed under both the Coronavirus Relief Fund and other grants, the known questioned costs totaled \$357,423.

For the 60 payroll program expenditures claimed under both the Coronavirus Relief Fund and other grants, the known questioned costs totaled \$46,527.

Management's or Department's Response:

The County incurred significant operational expense and response costs to protect the health and well-being of our community during the Coronavirus pandemic. In total, these cost impacts exceeded the amount of all federal/State funding made available to the County to address the pandemic. During the early stages of the pandemic, the federal Coronavirus Relief Fund (CRF) funding received through the State was applied to some costs which were subsequently funded from other federal funds made available to the County after the CRF eligibility period began. These costs were inadvertently not backed out from the County's periodic spending reports to the State and were later identified as part of this Single Audit. This issue has been corrected and a revised final recap of the eligible expenses has been filed with the State Department of Finance.

Contact Information of Responsible Official:

Jeff Frapwell
Assistant County Executive Officer
County of Santa Barbara Executive Office
805-568-3432

COUNTY OF SANTA BARBARA, CALIFORNIA

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2021

Finding 2021-002

Program: COVID-19 Coronavirus Relief Fund

CFDA No.: 21.019

Federal Grantor: U.S. Department of the Treasury

Passed-through: State of California

Award No. and Year: 2020

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Type of Finding: Significant Deficiency in Internal Control

Questioned Costs: \$0

Management's or Department's Response:

The County's existing policies and procedures related to the approval of employee time reporting provide for the approval of the employee's supervisor. Additionally, the payroll administrator for each department and the Auditor's payroll division independently validate employee time reports for compliance with the County's reporting rules. Based on this finding, the County will review our existing time reporting approval procedures and make any necessary modifications to adequately safeguard taxpayer resources. In addition, the County will address the compensating control for circumstances where obtaining the supervisor's approval is not possible.

Contact Information of Responsible Official:

Jeff Frapwell
Assistant County Executive Officer
County of Santa Barbara Executive Office
805-568-3432

COUNTY OF SANTA BARBARA, CALIFORNIA

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2021

Finding 2021-003

Program: Block Grants for Prevention and Treatment of Substance Abuse

CFDA No.: 93.959

Federal Agency: United States Department of Health and Human Services

Passed-Through: California Department of Health Care Services

Award Number: 12NNA42 and 14-90100

Award Year: 2020

Compliance Requirement: Subrecipient Monitoring

Questioned Costs: \$0

Management's or Department's Response:

The County classified these providers as subrecipients in the FY 2020/21 Schedule of Expenditures of Federal Awards and disclosed the pass-through amounts. For subrecipients with multi-year agreements, federal award tables for FY 2020/21 and FY 2021/22 were added to the agreements to 'clearly identify' the SAPT subaward as well as the elements required by 2 CFR 200.332 (a) (1) through (6). For subrecipients with contracts that expired on June 30, 2021, a federal award table was added to their new FY 2021/22 contracts only as it was not possible to amend the FY 2020/21 agreements prior to their expiration. Disclosure of federal grant terms will continue to be incorporated into the contracts as the information is received from State and Federal granting agencies.

To ensure compliance with 2 CFR 200.332(f), the County has instituted a procedure to formally document the County's collection of Single Audit reports and review of subrecipient compliance with this section. Providers will also be required to sign a certification form asserting compliance with 2 CFR 200.332(f).

Contact Information of Responsible Official:

Chris Ribeiro
Chief Financial Officer
Santa Barbara County Department of Behavioral Wellness
805-884-1694

COUNTY OF SANTA BARBARA, CALIFORNIA

SUMMARY OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2021

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding 2020-001

Program: Block Grants for Prevention and Treatment of Substance Abuse

CFDA No.: 93.959

Federal Agency: United States Department of Health and Human Services

Passed-Through: California Department of Health Care Services

Award Number: 12NNA42 and 14-90100

Award Year: 2020

Compliance Requirement: Subrecipient Monitoring

Questioned Costs: \$0

Subrecipient Monitoring

Management's or Department's Response:

The County initially categorized six providers that received block grant funding as contractors rather than subrecipients. The classification of providers as subrecipients vs. contractors is the responsibility of the County as the pass-through agency. There are no specific checklists or flowcharts that lead to a definitive, final decision. Checklists and guidance can be used to assist in the classification but ultimately the decision is based on professional judgment.

In this particular case, the County identified six providers as contractors using a checklist where the vast majority of responses indicated that these providers were contractors. The County relied on this checklist along with other qualitative aspects of the relationship to categorize the providers as contractors. The County was also audited annually by the State Department of Health Care Services and the classification was not identified as improper in these audits. The external audit firm did not concur with the County's classification of these providers in their Single Audit. Upon further review, the County agrees that there are certain characteristics of the relationship that may shift the categorization towards a subrecipient rather than a contractor.

Despite the County's initial categorization of these providers as contractors, most of the federal award disclosures required by 2 CFR 200.332 were present in the contracts with the providers either by direct reference or by reference to the State's agreement with the County. Despite most of the disclosures being referenced in the agreements, it is likely that they did not meet the standard of being "clearly identifiable" as required by 2 CFR 200.332 as they were referenced sporadically throughout the document.

Further, the County had subrecipient monitoring procedures in place for the providers that were reviewed. For this particular subset, the County conducted site visits, issued programmatic monitoring reports, reviewed provider financial statements, among other procedures. The County also consulted with the providers and concluded as to whether they were required to obtain Single Audits to comply with 2 CFR 200.332(f). This process primarily occurred during meetings with providers and was not documented to the level required by the external audit firm.

COUNTY OF SANTA BARBARA, CALIFORNIA

SUMMARY OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2021

Views of Responsible Officials and Corrective Action:

The County has reclassified these providers as subrecipients and the FY 2019/20 Schedule of Expenditures of Federal Awards was updated to disclose the pass-through amounts. The County intends to amend the agreements with the subrecipients in FY 2021/22 to 'clearly identify' the SAPT subaward as well as the elements required by 2 CFR 200.332 (a) (1) through (6). This will be accomplished by inclusion of a summary page within the agreement that makes direct reference to the required elements.

To ensure compliance with 2 CFR 200.332(f), the County has instituted a procedure to formally document the County's collection of Single Audit reports and review of subrecipient compliance with this section. Providers will also be required to sign a certification form asserting compliance with 2 CFR 200.332(f).

Current Year Status:

Partially Implemented.

Contact Information of Responsible Official:

Chris Ribeiro
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Santa Barbara County Department of Behavioral Wellness
805-884-1694