

COUNTY OF SANTA CRUZ
SINGLE AUDIT REPORT
FOR THE YEAR ENDED
JUNE 30, 2021

**COUNTY OF SANTA CRUZ
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

TABLE OF CONTENTS

	<u>Page</u>
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 <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards.....	6
Notes to Schedule of Expenditures of Federal Awards	13
Schedule of Findings and Questioned Costs.....	15
Status of Prior Year Findings and Questioned Costs	16

**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
of the County of Santa Cruz, California
Santa Cruz, 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 Cruz (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 22, 2021.

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 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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 22, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited the County of Santa Cruz'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 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 above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the 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, 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 22, 2021, 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.

Restriction on Use

This report is intended solely for the information and use of management, County Board of Supervisors, others within the County, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
July 29, 2022

**COUNTY OF SANTA CRUZ
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program Title	Assistance Listing Number	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Direct Programs:				
Water and Waste Disposal Systems for Rural Communities	10.760	--	\$ -	\$ 3,042,664
Water and Waste Disposal Systems for Rural Communities - 3rd party loans	10.760	--	-	4,497,000
Subtotal			-	7,539,664
Passed through CA Department of Food and Agriculture				
Phytophthora Ramorum	10.025	20-0506-028-SF	\$ -	\$ 50,656
Glassy-Winged Sharpshooter	10.025	19-0727-022SF	-	62,124
Enhanced Exotic Pest Survey	10.025	20-0176	-	141,830
Asian Citrus Psyllid (ACP)	10.025	20-0709-024-SF	-	36,962
Subtotal			-	291,572
CalFRESH Employment and Training (CFET)				
CalFRESH Enhanced	10.561	--	-	167,629
CalFRESH & Staff Development	10.561	--	-	69,607
Passed through California Department of Public Health				
Nutrition Education and Obesity Prevention	10.561	19-10334	-	218,779
SNAP Cluster			-	7,545,030
Passed through California Department of Education				
National School Lunch and Breakfast Program	10.555	44-3447-90003419-01	-	23,775
Subtotal			-	23,775
Passed through California Department of Forestry and Fire Protection				
Volunteer Fire Assistance (VFA) Grant	10.664	7923580950000	-	21,658
Subtotal			-	21,658
Total U.S. Department of Agriculture				
			-	15,421,699
U.S. Department of Housing and Urban Development				
Direct Programs				
HUD Supportive Housing Program - Match I	14.267	CA0231L9T081912	-	424,305
HUD Supportive Housing Program - Bonus Housing	14.267	CA1310L9T081904	-	107,416
Subtotal			-	531,721
HUD Emergency Solutions Grant Program	14.231	--	-	360,751
HUD Homeless Management Information Systems Technical Assistance	14.261	--	-	91,699
HUD Youth Homelessness Demonstration Program	14.276	CA1636Y9T081600	-	21,716
HUD Coodinated Entry	14.276	--	-	228,362
HUD McKinney-Vento Homeless Assist Act42	14.276	--	-	90,225
Subtotal			-	340,303
Passed through California Department of Housing and Community Development				
Community Development Block Grant	14.228	CDBG-12930	-	1,808
Community Development Block Grant	14.228	CDGB-12931	-	3,856
Subtotal			-	5,664
Home Investment Partnerships Program	14.239	16-HOME-11375	-	73,860
Subtotal			-	73,860
Total U.S. Department of Housing and Urban Development				
			-	1,403,998

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SANTA CRUZ
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Program Title	Assistance Listing Number	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
Direct Programs				
Bulletproof Vest Partnership	16.560	--	-	2,210
Passed through California Emergency Management Agency				
Victim Witness Assistance Program	16.575	VW18370440	-	166,382
Victim Witness Assistance Program	16.575	VW19380440	-	241,476
Child Advocacy Center Program	16.575	KC18020440	-	166,779
Child Advocacy Center Program	16.575	KC19030440	-	47,242
County Victim Services Program	16.575	XC16010440	-	97,805
County Victim Services Program	16.575	XC19020440	-	99,016
Unserved/Underserved Victim Advocacy and Outreach Program	16.575	UV1803 0440	-	78,900
Unserved/Underserved Victim Advocacy and Outreach Program	16.575	UV19040440	-	54,669
Subtotal			-	952,269
Passed through Office for Victims of Crime				
Supporting Male Survivors of Violence	16.582	2015-VF-GX-K042	66,167	96,395
Passed through California Board of State and Community Corrections				
Sheriff's Office SCCO - Residential Abuse Treatment (RSAT)	16.593	--	-	179,006
Title II Juvenile Delinquency Prevention and Intervention Grant Program	16.540	307-19	223,456	292,308
Edward Byrne Memorial Justice Assistance (Mental Health Training Grant)	16.738	0045-18-MH	-	29,840
School Safety Grant	16.738	--	-	704,092
Subtotal			-	733,932
Total U.S. Department of Justice			289,623	2,256,120
U.S. Department of Labor				
Passed through California Department of Employment Development				
WIOA Cluster Programs				
Title I - A Adult Formula	17.258	--	402,050	1,167,029
High Performing Boards	17.258	--	661,476	1,023,522
WIOA Youth Activities - Title I Youth Formula	17.259	--	-	20,164
Title I-D Dislocated Worker Formula	17.278	--	340,388	1,054,568
Title I Rapid Response for RA & PGM - Business Retention Survey	17.278	--	39,887	199,096
WIOA Cluster			1,443,801	3,464,379
Total U.S. Department of Labor			1,443,801	3,464,379
U.S. Department of Transportation				
Passed through California Department of Transportation				
Highway Planning and Construction	20.205	BRLO-5936(117)	-	1,242
Highway Planning and Construction	20.205	BRLO-5936(086)	-	115,028
Highway Planning and Construction	20.205	BRLO-5936(089)	-	4,197
Highway Planning and Construction	20.205	BRLO-5936(091)	-	832
Highway Planning and Construction	20.205	BRLO-5936(092)	-	2,369
Highway Planning and Construction	20.205	BRLO-5936(093)	-	1,482
Highway Planning and Construction	20.205	BRLO-5936(095)	-	5,011
Highway Planning and Construction	20.205	BRLO-5936(096)	-	1,502
Highway Planning and Construction	20.205	BRLO-5936(112)	-	145
Highway Planning and Construction	20.205	BRLO-5936(127)	-	692
Highway Planning and Construction	20.205	BRLO-5936(132)	-	57,525
Highway Planning and Construction	20.205	BRLO-5936(134)	-	7,399
Highway Planning and Construction	20.205	DR-1968-HPMG	-	97,485
Highway Planning and Construction	20.205	ER-20E0-5936(010)	-	181

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SANTA CRUZ
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Program Title	Assistance Listing Number	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation (Continued)				
Passed through California Department of Transportation (Continued)				
Highway Planning and Construction	20.205	ER-30R0-5936(003)	-	203,223
Highway Planning and Construction	20.205	ER-32D0-5936(002)	-	289
Highway Planning and Construction	20.205	ER-32D0-5936(004)	-	13,419
Highway Planning and Construction	20.205	ER-32D0-5936(014)	-	1,478
Highway Planning and Construction	20.205	ER-32L0-5936(005)	-	64,263
Highway Planning and Construction	20.205	ER-32L0-5936(006)	-	301,966
Highway Planning and Construction	20.205	ER-32L0-5936(007)	-	75,304
Highway Planning and Construction	20.205	ER-32L0-5936(008)	-	44,715
Highway Planning and Construction	20.205	ER-32L0-5936(009)	-	2,135
Highway Planning and Construction	20.205	ER-32L0-5936(013)	-	23,196
Highway Planning and Construction	20.205	ER-32L0-5936(014)	-	627,251
Highway Planning and Construction	20.205	ER-32L0-5936(015)	-	10,998
Highway Planning and Construction	20.205	ER-32L0-5936(016)	-	210,288
Highway Planning and Construction	20.205	ER-32L0-5936(020)	-	8,829
Highway Planning and Construction	20.205	ER-32L0-5936(021)	-	282
Highway Planning and Construction	20.205	ER-32L0-5936(046)	-	700
Highway Planning and Construction	20.205	ER-32L0-5936(048)	-	15,235
Highway Planning and Construction	20.205	ER-32L0-5936(050)	-	24,999
Highway Planning and Construction	20.205	ER-32L0-5936(052)	-	31,152
Highway Planning and Construction	20.205	ER-32L0-5936(056)	-	11,363
Highway Planning and Construction	20.205	ER-32L0-5936(057)	-	669
Highway Planning and Construction	20.205	ER-32L0-5936(058)	-	186,825
Highway Planning and Construction	20.205	ER-32L0-5936(059)	-	157,522
Highway Planning and Construction	20.205	ER-32L0-5936(060)	-	584,378
Highway Planning and Construction	20.205	ER-32L0-5936(062)	-	316,543
Highway Planning and Construction	20.205	ER-32L0-5936(064)	-	6,496
Highway Planning and Construction	20.205	ER-32L0-5936(065)	-	49,717
Highway Planning and Construction	20.205	ER-32L0-5936(066)	-	453,593
Highway Planning and Construction	20.205	ER-32L0-5936(067)	-	78,425
Highway Planning and Construction	20.205	ER-32L0-5936(068)	-	42,292
Highway Planning and Construction	20.205	ER-32L0-5936(069)	-	57,470
Highway Planning and Construction	20.205	ER-32L0-5936(071)	-	7,292
Highway Planning and Construction	20.205	ER-32L0-5936(072)	-	522,543
Highway Planning and Construction	20.205	ER-32L0-5936(079)	-	726
Highway Planning and Construction	20.205	ER-32L0-5936(080)	-	6,659
Highway Planning and Construction	20.205	ER-32L0-5936(081)	-	22,168
Highway Planning and Construction	20.205	ER-32L0-5936(082)	-	234,639
Highway Planning and Construction	20.205	ER-32L0-5936(083)	-	387,400
Highway Planning and Construction	20.205	ER-32L0-5936(084)	-	385,283
Highway Planning and Construction	20.205	ER-32L0-5936(088)	-	16,331
Highway Planning and Construction	20.205	ER-32L0-5936(093)	-	2,520,542
Highway Planning and Construction	20.205	ER-32L0-5936(094)	-	23,263
Highway Planning and Construction	20.205	ER-32L0-5936(095)	-	313,097
Highway Planning and Construction	20.205	ER-32L0-5936(097)	-	79,212
Highway Planning and Construction	20.205	ER-32L0-5936(104)	-	678
Highway Planning and Construction	20.205	ER-32L0-5936(106)	-	48,668
Highway Planning and Construction	20.205	ER-32L0-5936(149)	-	35,271
Highway Planning and Construction	20.205	ER-32L0-5936(150)	-	1,367
Highway Planning and Construction	20.205	ER-32L0-5936(199)	-	556
Highway Planning and Construction	20.205	ER-32L0-5936(200)	-	1,097
Highway Planning and Construction	20.205	ER-32L0-5936(201)	-	10,209
Highway Planning and Construction	20.205	ER-32L0-5936(202)	-	27,208
Highway Planning and Construction	20.205	ER-32L0-5936(205)	-	1,141,510
Highway Planning and Construction	20.205	ER-32L0-5936(208)	-	733

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**COUNTY OF SANTA CRUZ
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program Title	Assistance Listing Number	Contract or Program Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation (Continued)				
Passed through California Department of Transportation (Continued)				
Highway Planning and Construction	20.205	ER-32L0-5936(209)	-	722,785
Highway Planning and Construction	20.205	ER-32L0-5936(210)	-	782
Highway Planning and Construction	20.205	ER-32L0-5936(220)	-	85,207
Highway Planning and Construction	20.205	ER-32L0-5936(222)	-	26,942
Highway Planning and Construction	20.205	ER-32L0-5936(223)	-	198
Highway Planning and Construction	20.205	ER-32L0-5936(227)	-	452
Highway Planning and Construction	20.205	ER-32L0-5936(229)	-	3,395
Highway Planning and Construction	20.205	ER-32L0-5936(257)	-	2,640
Highway Planning and Construction	20.205	ER-32L0-5936(258)	-	12,679
Highway Planning and Construction	20.205	ER-32L0-5936(259)	-	15,344
Highway Planning and Construction	20.205	ER-32L0-5936(260)	-	12,763
Highway Planning and Construction	20.205	ER-32L0-5936(262)	-	23,245
Highway Planning and Construction	20.205	ER-32L0-5936(263)	-	4,397
Highway Planning and Construction	20.205	ER-32L0-5936(264)	-	25,857
Highway Planning and Construction	20.205	ER-32L0-5936(265)	-	11,453
Highway Planning and Construction	20.205	ER-32L0-5936(266)	-	154,436
Highway Planning and Construction	20.205	ER-32L0-5936(336)	-	4,883
Highway Planning and Construction	20.205	ER-32L0-5936(337)	-	72,083
Highway Planning and Construction	20.205	ER-32L0-5936(339)	-	207,271
Highway Planning and Construction	20.205	ER-32L0-5936(340)	-	92,929
Highway Planning and Construction	20.205	ER-32L0-5936(341)	-	9,793
Highway Planning and Construction	20.205	ER-32L0-5936(342)	-	252,531
Highway Planning and Construction	20.205	ER-32L0-5936(343)	-	311,959
Highway Planning and Construction	20.205	ER-32L0-5936(344)	-	218,326
Highway Planning and Construction	20.205	ER-32L0-5936(345)	-	2,833
Highway Planning and Construction	20.205	ER-32L0-5936(412)	-	83,074
Highway Planning and Construction	20.205	ER-32L0-5936(413)	-	72,889
Highway Planning and Construction	20.205	ER-32L0-5936(414)	-	24,935
Highway Planning and Construction	20.205	ER-32L0-5936(415)	-	42,489
Highway Planning and Construction	20.205	ER-32L0-5936(425)	-	10,957
Highway Planning and Construction	20.205	ER-32L0-5936(463)	-	905
Highway Planning and Construction	20.205	HSIPL-5936(129)	-	124
Highway Planning and Construction	20.205	HSIPL-5936(135)	-	30,106
Highway Planning and Construction	20.205	HSIPL-5936(139)	-	19,924
Highway Planning and Construction	20.205	HSIPL-5936(140)	-	32,174
Highway Planning and Construction Cluster			-	12,279,317
Total U.S. Department of Transportation			-	12,279,317
U.S. National Highway Traffic Safety Administration				
Passed through California Office of Traffic Safety				
Pedestrian and Bicycle Safety Program	20.600	PS20035/PS21044	-	91,755
Highway Safety Cluster			-	91,755
National Priority Safety Programs - Child Passenger Safety	20.616	OP20022/OP21018	-	68,557
Subtotal			-	68,557
National Priority Safety Programs - Impacted Impaired Driving	20.608	DI21024	29,725	87,047
Subtotal			29,725	87,047
Total U.S. National Highway Traffic Safety Administration			29,725	247,359
U.S. Department of the Treasury				
Direct Programs:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		-	6,144,720
Passed through California Department of Finance				
COVID-19 Coronavirus Aid Relief and Economic Security (CARES) ACT	21.019		-	21,014,225
Total U.S. Department of the Treasury			-	27,158,945

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**COUNTY OF SANTA CRUZ
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021**

Federal 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				
Direct Programs				
Health Center Cluster	93.224	H80CS00048	2,127,076	2,127,076
COVID-19 Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding	93.224	HHS-70990424703	-	156,482
Expanding Capacity for Coronavirus Testing (ECT)	93.224	H8ECS38923	-	69,248
Health Center Program Cluster			2,127,076	2,352,806
Drug Free Communities	93.276	1 NH28CE002497-01-00	9,997	117,575
Subtotal			9,997	117,575
COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Distribution	93.498		-	1,368,871
CCDF Cluster			-	1,368,871
Hub and Spoke State Opioid Response (SOR)	93.788	20R-10308	-	607,625
Addiction Treatment Starts Here: Primary Care Program	93.788	TC1043-19-04829	-	15,000
Addiction Treatment Starts Here: Primary Care Program	93.788	TC1909-000037	-	20,000
Addiction Treatment Starts Here: Primary Care Program	93.788	TC2104-098809	-	1,442
Subtotal			-	644,067
Early Intervention Services	93.918	H7CHA37135	-	56,406
Early Intervention Services	93.918	H76HA00153	27,776	480,269
Subtotal			27,776	536,675
Passed through California Department of Social Services				
KinGap IV-E - Administration	93.090	--	-	7,120
Subtotal			-	7,120
Temporary Assistance for Needy Families				
CalWORKS - Assistance	93.558	--	-	7,617,494
Fraud Incentive - Assistance	93.558	--	-	42,548
Temporary Assistance for Needy Families - CalWorks Program and Staff Development	93.558	--	-	17,955,098
Temporary Assistance for Needy Families - EA - ER, ESC, CR	93.558	--	-	1,773,133
CALWIN	93.558	--	-	174,299
Subtotal			-	27,562,572
RCA Refugee Assistance	93.566	--	-	861
Subtotal			-	861
Foster Care - Title IV-E				
Emergency Child Care Bridge	93.658	--	-	32,695
Foster Care - Assistance	93.658	--	-	1,368,924
Case Record Review	93.658	--	-	93,032
Child Welfare Services - CWS Title IV-E & Staff Development	93.658	--	-	142,780
Foster Parent Recruitment Retention and Support	93.658	--	-	34,591
Foster Care - Licensing Foster Family & Staff Development	93.658	--	-	11,031
Foster Care - Title IV-E - Administration & Staff Development	93.658	--	-	143,560
Foster Care - Kinship & Foster Care Emergency Fund	93.658	--	-	91
Probation - CSEC (Pass Through)	93.658	--	-	19,611
Probation - CWS - IV-E & GHMV (Pass Through)	93.658	--	-	266,192
Child Welfare Services - Group Home Monthly Visits	93.658	--	-	6,436
Substance Abuse Disorder	93.658	--	-	12,705
Foster Care - EA - FC Emergency Assistance	93.658	--	-	81,721
Resource Family Support	93.658	--	-	152,461
Child Family Team	93.658	--	-	137,996
Public Agency IV-E Pass-Through (SCCOE)	93.658	--	-	169,053
Commercially Exploited Children - CSEC	93.658	--	-	1,289

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**COUNTY OF SANTA CRUZ
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021**

Federal 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 Health Services				
Family Preservation - DHS Title XIX	93.658	--	-	77,836
Child Welfare Services - CWS Title IV-E (DHS Title XIX)	93.658	--	-	4,888,793
Subtotal			-	7,640,797
Adoption Assistance				
Adoption Assistance - Assistance	93.659	--	-	4,947,902
Adoption Assistance - Other Public Assistance & Staff Development	93.659	--	-	310,750
Adoption Assistance - Social Services & Staff Development	93.659	--	-	250,035
Adoption Incentive	93.659	--	-	38,459
Subtotal			-	5,547,146
Passed through California Department of Health Services (Continued)				
Child Welfare Services - Title XX	93.667	--	-	157,986
Title XX-FC	93.667	--	-	21,138
Subtotal			-	179,124
Promoting Safe and Stable Families - PSSF & Staff Development	93.556	--	-	150,569
Promoting Safe and Stable Families - PSSF Case Worker Visits	93.556	--	-	16,203
Subtotal			-	166,772
Child Welfare Services - Title IV-B & Staff Development	93.645	--	-	(324,082)
Subtotal			-	(324,082)
Independent Living Program & Staff Development	93.674	--	-	55,501
Subtotal			-	55,501
Passed through California Department of Child Support Services				
Child Support Enforcement - Santa Cruz County	93.563	--	-	3,449,570
Child Support Enforcement - San Benito County	93.563	--	867,652	867,652
Subtotal			867,652	4,317,222
Passed through California Department of Alcohol and Drug Programs				
Substance Abuse Prevention and Treatment Block Grant	93.959	DHCS #17-94200 A01 & 17- 94161 A01	1,337,638	1,875,405
Subtotal			1,337,638	1,875,405
Passed through California Department of Health Services				
Adult Protective Services-Title XIX & Staff Development	93.569	--	-	1,708,544
Subtotal			-	1,708,544
California Children's Services Admin - Optional Targeted Low Income (OTLIP)	93.767	CCS Information Notice 20-02	-	63,997
Subtotal			-	63,997
In Home Support Services - Title XIX & Staff Development	93.778	--	-	3,643,725
MEDI CAL 50% & Staff Development	93.778	--	-	19,827,893
Medi-cal Navigator	93.778	--	-	23,939
EMSA SAFR	93.778	C19-068	-	279,353
California Children's Services Admin - Medical	93.778	CCS Information Notice 20-02	-	317,758
Child Health and Disability Prevention (CHDP)	93.778	CHDP Program Letter No 20-02	-	129,122
Health Care Program for Children in Foster Care (HCPCFC)	93.778	CHDP Program Letter No 20-02	-	75,853
Health Care Program for Children in Foster Care - Psychotropic Med (PMM&O)	93.778	CHDP Program Letter No 20-02	-	9,055
Health Care Program for Children in Foster Care - Caseload Relief	93.778	CHDP Program Letter No 20-02	-	18,926
Medicaid Administrative Activities - Targeted Case Management	93.778	19-96022	-	4,588,003
Whole Person Care Pilot Program	93.778	17-14184-SZ-44	-	3,410,681
Passed through California Department of Social Services				
Public Authority	93.778	--	-	2,042,440
Passed through the California Department of Mental Health				
Medical Assistance Program	93.778	--	-	1,715,462
Medical Assistance Program - MediCal Administrative Activities (MAA)	93.778	--	-	722,597
Medicaid Cluster			-	36,804,807

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SANTA CRUZ
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

Federal 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 the California Department of Mental Health				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	68-0317191	41,124	41,124
Substance Abuse & Mental Health Services Administration (SAMHSA)	93.958	SM010005-17	22,376	326,639
Passed through the California Department of Public Health				
Public Health Emergency Preparedness (PHEP)	93.069	17-10195	-	211,087
California Personal Responsibilities	93.092	18-10240	-	125,000
Tuberculosis Prevention and Control	93.116	1944R-TA00, 2044SPND00	-	10,094
Childhood Lead Poisoning Prevention Projects (CLPPP)	93.197	20-10548	-	73,675
Immunization Assistance	93.268	17-10350.A02	-	228,710
COVID-19 ELC Coronavirus Aid, Relief, and Economic Security Act (CARES) 2020	93.323	6 NU50CK000539-01-08	-	197,735
COVID-19 ELC Paycheck Protection Program and Health Care Enhancement Act of 2020	93.323	COVID-19ELC44	-	1,690,337
Subtotal			-	1,888,072
Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	6NU90TP922071-01-02	-	30,512
Hospital Preparedness Program (HPP)	93.889	17-10195	-	196,277
COVID-19 Hospital Preparedness Program (HPP) Supplemental	93.889	COVID-19-4402	-	34,410
Subtotal			-	230,687
HIV Care Program	93.917	18-10891, 19-11162	46,438	185,075
Medication Assisted Treatment Hub and Spoke	93.958	19-96143	-	119,955
Federal Maternal & Child Health Basic Grant	93.994	202044	-	246,976
Total U.S. Department of Health and Human Services			4,480,077	94,343,386
U.S. Department of Homeland Security				
Passed through Governor's Office of Homeland Security				
State Domestic Preparedness Equipment Support Program				
Emergency Management Performance Grant - FY2018	97.042	2019-0003	-	15,192
Subtotal			-	15,192
Passed through California Emergency Management Agency				
Public Assistance Grants				
Disaster Grant - 2017 Storm Disaster Recovery	97.036	FEMA-4308-DR-CA	-	218
Disaster Grant - FEMA - General County	97.036	087-00000	-	4,639,539
Disaster Grant - FEMA - CSA'S	97.036	087-91052	-	682,962
Subtotal			-	5,322,719
Total U.S. Department of Homeland Security			-	5,337,911
Total Expenditures of Federal Awards Excluding Prior Year Loans			\$ 6,243,226	\$ 161,913,114
<u>Prior Federal Loan Balances With a Continuing Compliance Requirement</u>				
U.S. Department of Housing and Urban Development				
Community Development Block Grant	14.228			\$ 169,415
Home Investment Partnerships Program	14.239			2,039,470
Prior Federal Loan Balances with a Continuing Compliance Requirement				2,208,885
Total Expenditures of Federal Awards Including Loans				\$ 164,121,999

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**COUNTY OF SANTA CRUZ
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 – REPORTING ENTITY

The County of Santa Cruz (County) was established by an act of the State Legislature of California in 1850 and is governed by a five-member elected Board of Supervisors (Board). The Board is responsible for the legislative and executive control of the County. The County provides various services on a countywide basis including law and justice, education, detention, social, health, hospital, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The financial reporting entity consists of: (1) the County; (2) organizations for which the County is financially accountable; and (3) organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The following entities are component units of the County:

Blended Component Units

Santa Cruz Flood Control and Water Conservation District – Zone 7

Santa Cruz County Public Financing Authority

Discretely Presented Component Unit

Santa Cruz County Sanitation District

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Consistent with the County's method of filing federal financial reports, the accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting.

A. Basis of Accounting

Funds received under the various grant programs have been recorded within the general, special revenue, and enterprise funds of the County. The County utilizes the modified accrual basis of accounting for the general fund and special revenue funds. The accrual basis of accounting is used for the enterprise funds. The accompanying Schedule of Expenditures of Federal Awards (Schedule) is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

B. Schedule of Expenditures of Federal Awards

The accompanying Schedule presents the activity of all Federal financial assistance programs of the County. Federal financial assistance received directly from Federal agencies as well as Federal financial assistance passed through from the State of California is included in the Schedule. The Schedule was prepared only from the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the County.

C. Indirect Cost Rate

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

NOTE 3 – SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the County provided federal awards to subrecipients as follows:

Name of Program	Assistance Listing Number	Amount
Supporting Male Survivors of Violence	16.582	\$ 66,167
Title II Juvenile Delinquency Prevention and Intervention Grant Program	16.540	223,456
Title I-A Adult Formula	17.258	402,050
High Performing Boards	17.258	661,476
Title I-D Dislocated Worker Formula	17.278	340,388
Title I Rapid Response for RA & PGM - Business Retention Survey	17.278	39,887
National Priority Safety Programs - Impacted Impaired Driving	20.608	29,725
Health Center Cluster	93.224	2,127,076
Drug Free Communities	93.276	9,997
Early Intervention Services	93.918	27,776
Child Support Enforcement - San Benito County	93.563	867,652
Substance Abuse Prevention and Treatment Block Grant	93.959	1,337,638
Projects for Assistance in Transition from Homelessness (PATH)	93.150	41,124
Substance Abuse & Mental Health Services Administration (SAMHSA)	93.958	22,376
COVID-19 Hospital Preparedness Program (HPP) Supplemental	93.889	46,438
Total		\$ 6,243,226

NOTE 4 – PASS-THROUGH ENTITIES' IDENTIFYING NUMBERS

When federal awards were received from a pass-through entity, the Schedule shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

NOTE 5 – LOANS OUTSTANDING

The following programs had federally-funded loans outstanding at June 30, 2021:

Assistance Listing Number	Federal Grantor	County Department Administering Loans	Outstanding Balance at June 30, 2020	Payments/ Forgiveness of Prior Year Existing Loans	Loan Balances Carried Forward from Prior Year	New Loans Expense Included in SEFA	Outstanding Balance at June 30, 2021
14.228	Community Development Block Grant (CDBG)	Planning	\$ 194,552	\$ (25,137)	169,415	-	\$ 169,415
14.239	Home Investment Partnerships Program (HOME)	Planning	2,039,470	-	2,039,470	-	2,039,470
10.760	Water and Waste Disposal Systems for Rural Communities	Public Works	-	-	-	4,497,000	4,497,000
			<u>\$ 2,234,022</u>	<u>\$ (25,137)</u>	<u>\$ 2,208,885</u>	<u>\$ 4,497,000</u>	<u>\$ 6,705,885</u>

**COUNTY OF SANTA CRUZ
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE 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(es) identified?	___ yes	___x___ no
• Significant deficiencies identified not considered to be material weaknesses?	___ yes	___x___ no
Noncompliance material to financial statements noted?	___ yes	___x___ no

Federal Awards:

Internal control over major programs:		
• Material weakness(es) identified?	___ yes	___x___ no
• Significant deficiencies identified not considered to be material weaknesses?	___ yes	___x___ no

Type of auditor's report issued on compliance for major programs:		Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	___ yes	___x___ no
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Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.760	Water and Waste Disposal Systems for Rural Communities
17.258/17.259/17.278	WIOA Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
93.558	Temporary Assistance for Needy Families
93.659	Adoption Assistance
97.036	Disaster Grants

Dollar threshold used to distinguish between Type A and Type B programs:		\$ 3,000,000
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Auditee qualified as low-risk auditee?	___x___ yes	___ no
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SECTION II – FINANCIAL STATEMENT FINDINGS

None in current year.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None in current year.

**COUNTY OF SANTA CRUZ
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

None.