



Federal Awards Reports in Accordance
with the Uniform Guidance
For the Fiscal Year Ending June 30, 2020
County of Solano, California

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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 Board of Supervisors
County of Solano, 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, each major fund, and the aggregate discretely presented component units and remaining fund information of the County of Solano, California (County), as of and for the year ended June 30, 2020, 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 30, 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

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*.

County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in cursive script that reads "Eide Sully LLP". The signature is written in black ink and is positioned above the printed name and address of the firm.

Sacramento, California
December 30, 2020



**Independent Auditor’s Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; Report on Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance; and Supplemental
Schedule of Office of California State Department of Aging Grants**

To the Board of Supervisors
County of Solano, California

Report on Compliance for Each Major Federal Program

We have audited the County of Solano, California’s (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, 2020. 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 for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Supplemental Schedule of Office of California State Department of Aging Grants

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the County as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 30, 2020, 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. The supplemental schedule of Office of California State Department of Aging Grants is presented for purposes of additional analysis 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 and supplemental schedule of Office of California State Department of Aging Grants are fairly stated in all material respects in relation to the basic financial statements as a whole.

Eide Bailly LLP

Sacramento, California

April 26, 2021

County of Solano, California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal Agency	Pass-Through Agency		Pass-through or Direct	Federal	Expenditures to
CFDA Program Title or Cluster	CFDA No.	Entity Award ID	Expenditures	Subrecipients	
US Department of Agriculture (USDA)					
Pass-Through Programs:					
California Department of Food and Agriculture (CDFA)					
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-0268-000-FR	\$ 2,906	\$ -	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-0619-000-FR	64,846	-	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-0629-000-FR	128,883	-	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-0267-000-FR	81,145	-	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-8506-0484	<u>188,987</u>	<u>-</u>	
Total Plant and Animal Disease, Pest Control, and Animal Care			<u>466,767</u>	<u>-</u>	
California Department of Education					
Child Nutrition Cluster:					
School Breakfast Program	10.553	48-10488-6051569-01	25,612	-	
National School Lunch Program	10.555	48-10488-6051569-01	<u>44,268</u>	<u>-</u>	
Total Child Nutrition Cluster (10.553 & 10.555)			<u>69,880</u>	<u>-</u>	
California Department of Public Health (CDPH)					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	4265	<u>2,556,827</u>	<u>-</u>	
SNAP Cluster:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	SP-1819-28, SP-1920-28, CF-1920-28	142,486	135,328	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	4265	338,421	90,000	
California Department of Social Services (CDSS)					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	1946001347 A7	9,445,531	24,291	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - CalFresh/CalWIN	10.561	1946001347 A7	<u>188,995</u>	<u>-</u>	
Total SNAP Cluster (10.561)			<u>10,115,433</u>	<u>249,619</u>	
US Department of Agriculture (USDA) Total					
			<u>13,208,907</u>	<u>249,619</u>	
US Department of Housing and Urban Development (HUD)					
Direct Programs:					
Section 8 Project-Based Cluster:					
Section 8 Housing Assistance Payments Program	14.195	CA131	<u>2,490,139</u>	<u>2,490,139</u>	
US Department of Housing and Urban Development (HUD) Total					
			<u>2,490,139</u>	<u>2,490,139</u>	
US Department of Justice (DOJ)					
Direct Programs:					
2019 Domestic Cannabis Eradication Suppression Program	16.U01	Not Applicable	5	-	
Safe Streets Violent Crimes Initiative	16.U02	Not Applicable	20,380	-	
2020 Domestic Cannabis Eradication Suppression Program	16.U03	Not Applicable	2,723	-	
State Criminal Alien Assistance Program (SCAAP)	16.606	Not Applicable	482,131	-	
Equitable Sharing Program	16.922	Not Applicable	<u>38,390</u>	<u>-</u>	
Direct Programs Subtotal			<u>543,629</u>	<u>-</u>	
Pass-Through Programs:					
California Board of State and Community Corrections					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 629-19	<u>24,554</u>	<u>24,013</u>	
California Office of Emergency Services (CalOES)					
Paul Coverdell Forensic Sciences Improvement Program	16.742	CQ18070480	<u>53,975</u>	<u>-</u>	
Crime Victim Assistance	16.575	VW19380480	535,205	-	
Crime Victim Assistance	16.575	XC19020480	148,953	-	
Crime Victim Assistance	16.575	FJ18010480	151,553	-	
Crime Victim Assistance	16.575	UV19020480	<u>68,455</u>	<u>-</u>	

County of Solano, California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal Agency	Pass-Through Agency		Pass-through or Direct	Federal	Expenditures to
CFDA Program Title or Cluster	CFDA No.	Entity Award ID	Expenditures	Subrecipients	
US Department of Justice (DOJ) (Continued)					
Subtotal Crime Victim Assistance			\$ 904,166	\$ -	
Pass-Through Programs Subtotal			982,695	24,013	
US Department of Justice (DOJ) Total					
			1,526,324	24,013	
US Department of Labor (DOL)					
Pass-Through Programs:					
State of California Employment Development Department (EDD)					
WIA/WIOA Cluster:					
WIA/WIOA Adult Program	17.258	K9110061	296,555	-	
WIA/WIOA Adult Program	17.258	K8106686	100,346	-	
WIA/WIOA Adult Program	17.258	AA011039	762,119	-	
Subtotal			1,159,020	-	
WIA/WIOA Youth Activities	17.259	AA011039	603,132	-	
WIA/WIOA Youth Activities	17.259	AA111039	100,659	-	
WIA/WIOA Youth Activities	17.259	K9110061	417,002	-	
Subtotal			1,120,793	-	
WIA/WIOA Dislocated Worker Formula Grants	17.278	AA011039	941,570	-	
WIA/WIOA Dislocated Worker Formula Grants	17.278	K9110061	498,818	-	
Subtotal			1,440,388	-	
Total WIA/WIOA Cluster (17.258, 17.259 & 17.278)			3,720,201	-	
US Department of Labor (DOL) Total					
			3,720,201	-	
US Department of Transportation (DOT)					
Direct Program:					
Airport Improvement Program	20.106	Not Applicable	101,208	-	
Pass-Through Programs:					
California Department of Transportation (CalTrans)					
Highway Planning and Construction Cluster:					
Highway Planning and Construction	20.205	5923	910,255	-	
California Office of Traffic Safety (OTS)					
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL20019Solano	243,205	-	
Highway Safety Cluster:					
National Priority Safety Programs	20.616	D120016	169,092	-	
Total Highway Safety Cluster (20.616)			169,092	-	
Pass-Through Programs Subtotal			1,322,552	-	
US Department of Transportation (DOT) Total					
			1,423,760	-	
US Department of Health and Human Services (DHHS)					
Direct Programs:					
Health Center Program Cluster:					
Health Center Program	93.224	Not Applicable	1,954,513	-	
COVID 19 - Health Center Program	93.224	Not Applicable	200,830	-	
Total Health Center Program Cluster (93.224)			2,155,343	-	
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease					
COVID 19 - Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	Not Applicable	241,950	-	
COVID 19 - Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	Not Applicable	45,266	-	
Subtotal Grants to Provide Outpatient Early Intervention Services			287,216	-	
Direct Programs Subtotal			2,442,559	-	

County of Solano, California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal Agency	Pass-Through Agency	CFDA Program Title or Cluster	CFDA No.	Pass-through or Direct Entity Award ID	Federal Expenditures	Expenditures to Subrecipients
US Department of Health and Human Services (DHHS) (Continued)						
Pass-Through Programs:						
California Department of Aging (CDA)						
Aging Cluster:						
		Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1920-28, 1901CAOAEA-01, 2001CAOAEA-00	\$ 7,301	\$ 7,301
		Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1920-28, 1901CAOAOA-01, 2001CAOAOA-00	66,701	66,701
		Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	AP-1920-28, 1901CAOAPH-01, 2001CAOAPH-00	47,648	47,648
		Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AP-1920-28, 1901CAOASS-01, 2001CAOASS-00	732,942	660,327
		Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-1920-28, 1901CAOACM-01, 2001CAOACM-00, 1901CAOAH-01, 2001CAOAH-00	1,214,591	1,077,530
		National Family Caregiver Support, Title III, Part E	93.052	AP-1920-28, 1901CAOAF-01, 2001CAOAF-00	319,098	287,496
		Nutrition Services Incentive Program	93.053	AP-1920-28, 1901CAOANS-01, 2001CAOANS-00	229,073	229,073
		Total Aging Cluster (93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053)			<u>2,617,354</u>	<u>2,376,076</u>
California Department of Public Health (CDPH)						
		Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.069	4265	181,253	-
		National Bioterrorism Hospital Preparedness Program (HPP)	93.889	4265	286,528	-
		Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	4265	63,480	-
		Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	4265	25,984	-
		Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	4265	284,888	-
		Prevention and Public Health Fund (Affordable Care Act) - Immunization Program	93.539	4265	81,927	-
		Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	4265	845,632	-
		COVID-19 HIV Care Formula Grants	93.917	4265	145,569	-
		HIV Prevention Activities_Health Department Based	93.940	4265	137,627	-
		Maternal and Child Health Services Block Grant to the States	93.994	4265	627,153	178,635
California Department of Social Services (CDSS)						
		Guardianship Assistance	93.090	1946001347 A7	557,247	-
		MaryLee Allen Promoting Safe and Stable Families	93.556	1946001347 A7	229,486	60,878

County of Solano, California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal Agency	Pass-Through Agency		Pass-through or Direct	Federal	Expenditures to
CFDA Program Title or Cluster	CFDA No.	Entity Award ID	Expenditures	Subrecipients	
US Department of Health and Human Services (DHHS) (Continued)					
Pass-Through Programs (Continued):					
Temporary Assistance for Needy Families	93.558	1946001347 A7	\$ 21,721,817	\$	3,762,471
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	1946001347 A7	6,025		-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	1946001347 A7	162,555		-
Foster Care Title IV-E	93.658	1946001347 A7	6,796,480		1,929,692
Adoption Assistance	93.659	1946001347 A7	3,984,505		-
Social Services Block Grant	93.667	1946001347 A7	597,016		-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	1946001347 A7	118,711		118,711
California Department of Child Support Services (DCSS)					
Child Support Enforcement	93.563	1-946001347-P-9	8,134,588		-
Pass-Through Programs:					
California Department of Health Care Services (DHCS)					
Projects for Assistance in Transition from Homelessness (PATH)	93.150	14-90354	65,813		-
Block Grants for Community Mental Health Services	93.958	14-90354	498,859		221,496
Block Grants for Prevention and Treatment of Substance Abuse	93.959	14-90106	2,325,318		1,671,878
Maternal and Child Health Services Block Grant to the States	93.994	4265	976,213		-
Medicaid Cluster:					
Medical Assistance Program	93.778	1946001347 A7	19,796,725		-
		EP1383841/			
Medical Assistance Program	93.778	CMAA: 14-90042	156,726		-
Total Medicaid Cluster (93.778)			19,953,451		-
Sierra Health Foundation					
Opioid STR	93.788	CA19MAT103	102,186		-
US Department of Health and Human Services (DHHS) Total			73,970,224		10,319,837
Social Security Administration (SSA)					
Direct Programs:					
Disability Insurance/SSI Cluster:					
Supplemental Security Income	96.006	Not Applicable	13,400		-
Social Security Administration (SSA) Total			13,400		-
US Department of Homeland Security (DHS)					
Pass-Through Programs:					
California Office of Emergency Services (CalOES)					
Emergency Management Performance Grants	97.042	095-00000	167,767		-
Homeland Security Grant Program	97.067	095-00000	388,563		114,487
City & County of San Francisco					
Homeland Security Grant Program	97.067	075-95017	201,803		-
Subtotal Homeland Security Grant Program			590,366		114,487
US Department of Homeland Security (DHS) Total			758,133		114,487
US Small Business Administration (SBA)					
Pass-Through Program:					
Humboldt State University					
Small Business Development Centers	59.037	SBAHQ-20-C-0069	26,297		-
Small Business Development Centers	59.037	SBAHQ-19-B-0066	73,682		-
Small Business Development Centers	59.037	SBAHQ-20-B-0073	72,833		-
US Small Business Administration (SBA) Total			172,812		-
Total Expenditures of Federal Awards			\$ 97,283,900		\$ 13,198,095

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the County of Solano, California (County) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule 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 cash flows of the County.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in the prior years.

Note 3 - Pass-Through Entities' Identifying Numbers

When federal awards are received from a pass-through entity, the Schedule indicates if assigned, the identifying grant or contract number that has been assigned by the pass-through entity.

Note 4 - Medicaid Cluster

Except for Medi-Cal administrative expenditures, Medicaid (Medi-Cal) and Medicare program expenditures are excluded from the schedule of expenditures of federal awards. These expenditures represent fees for services; therefore, neither is considered a federal award program of the County for purposes of the schedule of expenditures of federal awards or in determining major programs. The County assists the State of California (State) in determining eligibility and provides Medi-Cal and Medicare services through County-owned health facilities. Medi-Cal administrative expenditures are included in the schedule of expenditures of federal awards as they do not represent fees for services.

Note 5 - Indirect Cost Rate

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

Note 6 - Aging Cluster

The California Department of Aging considers other closely related pass-through programs by the State to be included with the Aging Cluster, in accordance with 2 CFR 200.12.

Note 7 - Provider Relief Funds

The County received amounts from the U.S. Department of Health and Human Services (HHS) through the Provider Relief Fund (PRF) program (Federal Financial Assistance Listing/CFDA #93.498) during the year ended June 30, 2020. The County incurred eligible expenditures and, therefore, recognized revenues totaling \$432,068 for the year ended June 30, 2020 on the financial statements. However, the PRF expenditures are not recognized on the schedule in accordance with the compliance supplement addendum, until the expenditures are included on the reporting to HHS for the calendar year ending December 31, 2020, as required under the PRF program.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial statements audited were prepaid in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major federal programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

Name of Federal Program/Cluster	CFDA Number(s)
Adoption Assistance	93.659
Medicaid Cluster	93.778

Dollar threshold used to distinguish between type A and type B programs:	\$2,918,517
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

2020-001 **Capital Assets**
Type of Finding: *Significant Deficiency*

Criteria:

Capital asset activities should be recognized in the fiscal year in which the underlying event occurs (completion of long-term capital projects, retirement/disposal/impairment of capital assets, purchase/acquisition of capital assets, etc.).

Condition:

As a result of our procedures performed, we identified five (5) instances in which completed capital projects were not timely placed into service and depreciated once substantially complete. Four (4) of these instances included capital projects completed in prior years but not depreciated until 2019/20. One (1) of these instances included a capital project completed in 2019/20; however, the transfer of this asset into service was not reported to the Auditor-Controller's office until five months after the fiscal year-end during the annual audit, requiring an adjustment to the 2019/20 financial statements.

Context:

We found that the Auditor-Controller's office is notified of the completion of capital projects by the General Services department which triggers the transfer into service and depreciation of the capital assets; however, we found that the notification from the General Services department in these identified instances was not performed timely which resulted in the transfers into service occurring in the incorrect fiscal year or significantly after the fiscal year-end closing process. One of these instances required an adjustment to the 2019/20 financial statements.

Cause:

The notification from General Services to the Auditor-Controller's office of the completion of capital projects was not performed timely.

Effect:

By not reporting the completion of capital projects to the Auditor-Controller's office on a timely basis, this resulted in capital asset activity not being recognized in the correct fiscal years and resulted in additional financial statement adjustments during the annual audit. This creates a risk of material misstatement as a result of untimely recognition of capital project activities.

Recommendation:

We recommend that the General Services department strengthen its policies and procedures in collaboration with the Auditor-Controller's office to ensure that capital project activities are reported in the correct fiscal years. We also recommend that the long-term capital project balances (construction-in-progress) be reviewed by the General Services department and Auditor-Controller's office at least annually to identify any completed projects to ensure that all completed capital projects are identified and transferred into service in the correct fiscal year.

Views of Responsible Officials and Corrective Action Plan:

General Services will continue collaboration with the Auditor-Controller's office to strengthen its policies and procedures. In line with previous discussions, General Services working with the Auditor Controller's office in the prior calendar year, re-established timely capital asset reporting continuity from both Capital Projects Management Division and Airport Division for capital assets newly placed in service.

Going forward, Capital Projects Management Division's project close-out procedures for projects originating from both Divisions, including the filings of Notice of Completion, will initiate the creation of corresponding asset reports to help facilitate timely reviews as described by the Auditor-Controller's recommendations. Previous interruption of timely reporting was due to staff shortages and employee turnover which will now be avoided by defined shared report input responsibilities within the Department among more than a single employee to help mitigate any single points of failure.

See separate Corrective Action Plan.

2020-002 **Cash and Investments**
Type of Finding: *Significant Deficiency*

Criteria:

As part of the year-end financial reporting process, cash and investments recorded in the County's general ledger should be reconciled to both the financial statements and the County Treasury's statement of assets.

Condition:

As a result of our procedures performed over cash and investments, we identified an investment managed by the County Treasurer, on behalf of a school district, which was not included in the fiduciary external investment trust financial statement.

Context:

The investment was held by the County Treasurer; however, the investment was not included in the balance of external investment trust in the County's financial statements.

Cause:

In preparing the County's financial statements, the investment was not properly identified as an investment which should be included in the County's financial statements. The County's fiscal year-end cash and investment reconciliation did not identify the understatement of investments.

Effect:

By not including the investment in the County's financial statements, the cash and investments and net position of the External Investment Trust were understated.

Recommendation:

We recommend that the County strengthen its year-end financial statement cash and investment reconciliation policies and procedures to ensure that all cash and investments held by the County Treasury are identified and included in the financial statements.

Views of Responsible Officials and Corrective Action Plan:

We agree with the recommendation. We have updated our fiscal year-end financial statement compilation process to ensure the total Cash in Treasury per the Financial Statements is reconciled with the Treasury's fiscal year-end balance. It should be noted the County's financial records appropriately includes the investment and the existing policy and procedures requiring the Auditor-Controller records and Treasury records to be reconciled monthly and a review performed quarterly are adhered to. However, due to coding, the investment was not captured in the External Investment Trust total when compiling the annual financial statement.

See separate Corrective Action Plan

Section III – Federal Award Findings and Questioned Costs

None reported.

County of Solano, California
 Summary Schedule of Prior Audit Findings
 For the Fiscal Year Ended June 30, 2020

Summarized below is the current status of findings reported in the prior year’s schedule of audit findings and questioned costs.

Finding No.	Program/Cluster	CFDA No.	Compliance Requirement	Status
2019-001	WIOA Cluster	17.258, 17.259, 17.278	Matching, Earmarking, and Level of Effort	Implemented
2019-002	TANF Cluster	93.558	Eligibility	Implemented
2019-003	TANF Cluster	93.558	Subrecipient Monitoring	Implemented

County of Solano, California
 Supplemental Schedule of Office of California State Department of Aging Grants
 For the Fiscal Year Ended June 30, 2020

<u>Federal Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Federal Award Expenditures</u>	<u>State Expenditures</u>
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1920-28	\$ 7,301	\$ -
Special Programs for the Aging, Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals	93.042	AP-1920-28	66,701	-
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	AP-1920-28	47,648	-
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AP-1920-28	732,942	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-1920-28	1,214,591	420,044
National Family Caregiver Support, Title III, Part E	93.052	AP-1920-28	319,098	-
Nutrition Services Incentive Program	93.053	AP-1920-28	229,073	-
General Fund IIIB (Ombudsman)*	N/A	AP-1920-28	-	212,381
Public Health L&C Program Fund (PHL&C Ombudsman)	N/A	AP-1920-28	-	7,534
State Health Facilities Citation Penalties Account (SHF Cit Pen Ombudsman)	N/A	AP-1920-28	-	30,269
State Nursing Facilities Quality and Accountability (SNFQAF Ombudsman)	N/A	AP-1920-28	-	34,408
			<u>\$ 2,617,354</u>	<u>\$ 704,636</u>

*CDA State General Fund IIIB is listed in the ombudsman section of the CDA Area Plan Budget Display