

COUNTY OF SAN BERNARDINO, CALIFORNIA

**Single Audit Report
(Uniform Guidance)**

For the Fiscal Year Ended June 30, 2018

COUNTY OF SAN BERNARDINO, CALIFORNIA

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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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 San Bernardino, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of San Bernardino, California (County), as of and for the year ended June 30, 2018, 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 28, 2018. Our report also included a reference to other auditors who audited the financial statements of the County of San Bernardino Consolidated Fire Districts, the County of San Bernardino Redevelopment Successor Agency Private-Purpose Trust Fund, and the Housing Authority of the County of San Bernardino 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.

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) to determine 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 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 that we consider to be a significant deficiency as identified as item 2018-001.

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 determination of financial statement amounts. 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 County's separate corrective action plan. 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 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.

Vavrinik, Trine, Day & Co. LLP

Rancho Cucamonga, California
December 28, 2018



INDEPENDENT AUDITORS' 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 THE SUPPLEMENTAL SCHEDULE OF OFFICE OF CALIFORNIA STATE DEPARTMENT OF AGING GRANTS

To the Honorable Board of Supervisors
County of San Bernardino, California

Report on Compliance for Each Major Federal Program

We have audited the County of San Bernardino, 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, 2018. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Housing Authority of the County of San Bernardino (Housing Authority), which expended \$104,207,968 in federal awards which is not included in the schedule during the year ended June 30, 2018. Our audit, described below, did not include the operations of the Housing Authority because the Housing Authority engaged other auditors to perform an audit in accordance with the Uniform Guidance.

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.

Auditors' 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, 2018.

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 items 2018-002 and 2018-003. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the County's separate corrective action plan. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2018-002 and 2018-003 that we consider to be significant deficiencies.

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

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, 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, 2018, and we have issued our report thereon dated December 28, 2018, which contained unmodified opinions on those financial statements. Our report included a reference to other auditors who audited the financial statements of the County of San Bernardino Consolidated Fire Districts, the County of San Bernardino Redevelopment Successor Agency Private-Purpose Trust Fund, and the Housing Authority of the County of San Bernardino, as described in our report on the County's 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.

Vavrinik, Trine, Day & Co. LLP

Rancho Cucamonga, California
March 25, 2019

COUNTY OF SAN BERNARDINO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Identification/ Pass-Through Entity Identification Number	Federal Award Expenditures	Pass-Through Awards to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
<u>Pass-Through Programs:</u>				
<u>Child Nutrition Cluster:</u>				
<u>California Department of Education:</u>				
School Breakfast Program	10.553	36-10363-6037469-01	\$ 132,939	\$ -
National School Lunch Program	10.555	36-10363-6037469-01	251,733	-
Total Child Nutrition Cluster			<u>384,672</u>	<u>-</u>
<u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u>				
<u>California Department of Social Services:</u>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	1946001347-A7	44,879,435	-
<u>California Department of Public Health:</u>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Education	10.561	16-10145	2,989,856	1,467,144
Total SNAP Cluster			<u>47,869,291</u>	<u>1,467,144</u>
<u>California Department of Education:</u>				
Child and Adult Care Food Program	10.558	223600	1,891,617	-
<u>California Department of Food and Agriculture:</u>				
Plant and Animal Disease, Pest Control, and Animal Care - Pierce's Disease Control Program	10.025	16-0424-SF	27,512	-
Plant and Animal Disease, Pest Control, and Animal Care - Pest Surveillance Canine Inspection Team	10.025	17-0215-006-SF	197,270	-
Plant and Animal Disease, Pest Control, and Animal Care - Light Brown Apple Moth Detection Trapping	10.025	17-0154-015-SF	35,832	-
Subtotal			<u>260,614</u>	<u>-</u>
<u>California Department of Public Health:</u>				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	15-10109	11,416,587	-
<u>Forest Service Schools and Roads Cluster:</u>				
<u>State Controller's Office:</u>				
Schools and Roads - Grants to States	10.665	99003012	261,004	-
TOTAL - U. S. DEPARTMENT OF AGRICULTURE			<u>62,083,785</u>	<u>1,467,144</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<u>Pass-Through Programs:</u>				
<u>Community Development Block Grant (CDBG) - Entitlement Grants Cluster:</u>				
<u>City of Chino Hills:</u>				
Community Development Block Grants/Entitlement Grants	14.218	0711008883190	10,000	-
<u>Direct Programs:</u>				
Community Development Block Grants/Entitlement Grants	14.218		11,921,670	4,889,076
Community Development Block Grants/Entitlement Grants - Neighborhood Stabilization Program Grant #1	14.218		107,900	-
Community Development Block Grants/Entitlement Grants - Neighborhood Stabilization Program Grant #1	14.218	Loans	18,814,746	-
Community Development Block Grants/Entitlement Grants - Neighborhood Stabilization Program Grant #1	14.218	Program Income	194,517	-
Community Development Block Grants/Entitlement Grants - Neighborhood Stabilization Program Grant #3	14.218	Loans	7,104,660	-
Community Development Block Grants/Entitlement Grants - Neighborhood Stabilization Program Grant #3	14.218	Program Income	435,606	-
Total CDBG Entitlement Grants Cluster			<u>38,589,099</u>	<u>4,889,076</u>
<u>Emergency Solutions Grant Program</u>				
Emergency Solutions Grant Program	14.231		278,623	156,728
<u>Home Investment Partnerships Program</u>				
Home Investment Partnerships Program	14.239		5,270,713	-
Home Investment Partnerships Program	14.239	Loans	42,162,947	-
Home Investment Partnerships Program	14.239	Program Income	121,397	-
Subtotal			<u>47,555,057</u>	<u>-</u>
<u>Continuum of Care Program - Homeless Assistance Planning Project</u>				
Continuum of Care Program - Homeless Assistance Planning Project	14.267		409,622	-
<u>Continuum of Care Program - Homeless Management Information System (HMIS) FY 17-18</u>				
Continuum of Care Program - Homeless Management Information System (HMIS) FY 17-18	14.267		181,266	-
<u>Continuum of Care Program - Homeless Management Information System (HMIS) FY 16-17</u>				
Continuum of Care Program - Homeless Management Information System (HMIS) FY 16-17	14.267		72,834	-
Subtotal			<u>663,722</u>	<u>-</u>
TOTAL - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>87,086,501</u>	<u>5,045,804</u>
U.S. DEPARTMENT OF INTERIOR				
<u>Direct Programs:</u>				
Water SMART (Sustaining and Manage America's Resources for Tomorrow)	15.507		59,333	-
TOTAL - U.S. DEPARTMENT OF INTERIOR			<u>59,333</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF SAN BERNARDINO, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Identification/ Pass-Through Entity Identification Number	Federal Award Expenditures	Pass-Through Awards to Subrecipients
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<u>Pass-Through Programs:</u>				
<u>California Governor's Office of Emergency Services:</u>				
Crime Victim Assistance - Unserved/Underserved Victim Advocacy and Outreach Program	16.575	071-00000	\$ 168,422	\$ -
Crime Victim Assistance - Victim Witness Assistance Program	16.575	071-00000	1,772,682	-
Subtotal			<u>1,941,104</u>	<u>-</u>
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	CQ16100360	15,517	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	CQ17110360	10,666	-
Subtotal			<u>26,183</u>	<u>-</u>
<u>California Victim Compensation Board</u>				
Antiterrorism Emergency Reserve	16.321	VC-G6042	695,822	-
<u>Direct Programs:</u>				
Edward Byrne Memorial Justice Assistance Grant Program - FY 13-14	16.738		52,967	52,965
Edward Byrne Memorial Justice Assistance Grant Program - FY 14-15	16.738		179,135	168,239
Edward Byrne Memorial Justice Assistance Grant Program - FY 15-16	16.738		150,371	136,326
Subtotal			<u>382,473</u>	<u>357,530</u>
DNA Backlog Reduction Program - FY 14-15	16.741		234,490	-
DNA Backlog Reduction Program - FY 16-17	16.741		50,758	-
Subtotal			<u>285,248</u>	<u>-</u>
Law Enforcement Assistance Narcotics and Dangerous Drugs Training FY 16-17	16.004		2,361	-
Law Enforcement Assistance Narcotics and Dangerous Drugs Training FY 17-18	16.004		49,861	-
Subtotal			<u>52,222</u>	<u>-</u>
2017 Domestic Cannabis Eradication/Suppression Program	16.U01	16.2017-40	5,175	-
2018 Domestic Cannabis Eradication/Suppression Program	16.U01	16.2018-38	121,132	-
San Bernardino Gang Impact Team (GIT) Safe Streets Task Force FY16-17	16.U02	16.281D-LA-223769	5,468	-
San Bernardino Gang Impact Team (GIT) Safe Streets Task Force FY17-18	16.U02	16.281D-LA-223769	29,968	-
Subtotal			<u>161,743</u>	<u>-</u>
Southwest Border Prosecution Initiative Program	16.755		992	-
Equitable Sharing Program - IRNET	16.922		5,017,094	-
Equitable Sharing Program - NARCOTICS	16.922		4,861,758	-
Subtotal			<u>9,878,852</u>	<u>-</u>
TOTAL - U.S. DEPARTMENT OF JUSTICE			<u>13,424,639</u>	<u>357,530</u>
<u>U.S. DEPARTMENT OF LABOR</u>				
<u>Pass-Through Programs:</u>				
<u>WIOA Cluster:</u>				
<u>California Employment Development Department:</u>				
WIA/WIOA Adult Program	17.258	07154900	7,877,096	-
WIA/WIOA Youth Activities	17.259	07154900	5,905,374	4,238,168
WIA/WIOA Dislocated Worker Formula Grants	17.278	07154900	6,425,495	-
Total WIOA Cluster			<u>20,207,965</u>	<u>4,238,168</u>
<u>California Department of Aging:</u>				
Senior Community Service Employment Program - Title V (SCSEP)	17.235	TV-1718-20	218,331	-
TOTAL - U.S. DEPARTMENT OF LABOR			<u>20,426,296</u>	<u>4,238,168</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<u>Pass-Through Programs:</u>				
<u>Highway Planning and Construction Cluster:</u>				
<u>California Department of Transportation:</u>				
Highway Planning and Construction	20.205	85954	4,467,696	-
Total Highway Planning and Construction Cluster			<u>4,467,696</u>	<u>-</u>
<u>Highway Safety Cluster:</u>				
<u>California Office of Traffic Safety:</u>				
State and Community Highway Safety	20.600	PT17107	53,598	-
State and Community Highway Safety	20.600	PT18073	101,772	-
National Priority Safety Programs	20.616	N/A	210,294	-
Total Highway Safety Cluster			<u>365,664</u>	<u>-</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	20.308	473,941	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT17107	70,835	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT18073	147,131	-
Subtotal			<u>691,907</u>	<u>-</u>
<u>Direct Programs:</u>				
Airport Improvement Program FY14-15	20.106		33,067	-
Airport Improvement Program FY16-17	20.106		251	-
Subtotal			<u>33,318</u>	<u>-</u>
TOTAL - U.S. DEPARTMENT OF TRANSPORTATION			<u>5,558,585</u>	<u>-</u>
<u>U.S. DEPARTMENT OF TREASURY</u>				
<u>Direct Programs:</u>				
Equitable Sharing Program	21.016		1,255,776	-
TOTAL - U.S. DEPARTMENT OF TREASURY			<u>1,255,776</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF SAN BERNARDINO, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Identification/ Pass-Through Entity Identification Number	Federal Award Expenditures	Pass-Through Awards to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<u>Pass-Through Programs:</u>				
<u>Medicaid Cluster:</u>				
<u>California Department of Health Care Services:</u>				
Medical Assistance Program - Medi-Cal Assistance Program Children & Family Services Portion Only	93.778	MSO1809-17	\$ 7,622,796	\$ -
Medical Assistance Program - Medi-Cal Assistance Program Transitional Assistance Department Portion Only	93.778	MSO1809-17	45,192,400	-
Medical Assistance Program - Medical Assistance Program (Title XIX)	93.778	4260-111-0001	4,282,464	-
Medical Assistance Program - Child Health and Disability Prevention Case Management	93.778	4260-111-0001	401,265	-
Medical Assistance Program - Early Periodic Screening, Diagnosis and Treatment	93.778	4260-111-0001	595,970	-
Medical Assistance Program - Program 3201 Family Support Services - HCPCFC	93.778	4260-111-0001	1,133,877	-
Medical Assistance Program - Program 3202 Family Support Services - PMM&O	93.778	4260-111-0001	94,296	-
Medical Assistance Program - Mental Health Administrative Cost	93.778	N/A	8,520,479	-
Medical Assistance Program - Medi-Cal Assistance Program (Alcohol)	93.778	N/A	7,916,631	7,214,338
<u>California Department of Aging:</u>				
Medical Assistance Program (Title XIX, MSSP)	93.778	MS-1718-17	561,500	-
<u>California Department of Social Services:</u>				
Medical Assistance Program (Title XIX, IHSS)	93.778	MS0809-17	17,078,670	-
Medical Assistance Program - In-Home Supportive Services-Public Authority-IHSS-PA	93.778	N/A	3,041,949	-
Total Medicaid Cluster			<u>96,442,297</u>	<u>7,214,338</u>
<u>Aging Cluster:</u>				
<u>California Department of Aging:</u>				
Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1718-20	15,805	-
Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1718-20	19,234	-
Special Programs for the Aging-Title III, Part D Disease Prevention and Health Promotion Services	93.043	AP-1718-20	40,250	-
Special Programs for the Aging-Title III, Part B Grants for Supportive Services and Senior Centers	93.044	AP-1718-20	1,494,562	412,253
Special Programs for the Aging-Title III, Part C Nutrition Services	93.045	AP-1718-20	3,117,006	2,840,875
National Family Caregiver Support, Title III, Part E	93.052	AP-1718-20	737,953	387,744
Nutrition Services Incentive Program	93.053	AP-1718-20	488,876	488,876
Total Aging Cluster			<u>5,913,686</u>	<u>4,129,748</u>
<u>Association of Food and Drug Officials:</u>				
Food and Drug Administration Research	93.103	GSP - 1611-04507	2,720	-
Food and Drug Administration Research	93.103	GMP - 1611-04510	17,746	-
Food and Drug Administration Research	93.103	GT - 1709-05359	2,400	-
Subtotal			<u>22,866</u>	<u>-</u>
<u>California Department of Public Health:</u>				
Immunization Cooperative Agreements	93.268	63-0317191	534,695	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - Zika Response Resources	93.323	0187.1190	121,309	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - Zika Response Resources - Vector Control	93.323	0187.3090	149,511	-
Subtotal			<u>805,515</u>	<u>-</u>
<u>TANF Cluster:</u>				
<u>California Department of Social Services:</u>				
Temporary Assistance for Needy Families	93.558	1946001347-A7	148,515,005	1,890,923
Total TANF Cluster			<u>148,515,005</u>	<u>1,890,923</u>
<u>California Department of Health Care Services:</u>				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	10,991,424	6,789,341
<u>California Department of Public Health:</u>				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	NUS2PS004656	131,059	-
Childhood Lead Poisoning Prevention Projects-State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	14-10030	63,686	-
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	16-10553	70,542	-
HIV Care Formula Grants	93.917	15-692 A-1	952,235	723,817
HIV Prevention Activities-Health Department Based	93.940	15-10946	557,742	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	15-10263	33,961	-
Maternal and Child Health Services Block Grant to the States (BIH portion)	93.994	20136	379,567	-
Maternal and Child Health Services Block Grant to the States (MCAH)	93.994	20136	407,220	-
Subtotal			<u>786,787</u>	<u>-</u>
Public Health Emergency Preparedness	93.069	14-10534 and 17-10186	2,929,405	-
Public Health Emergency Preparedness - Zika Response Resources - Epidemiology and Surveillance	93.069	16-10933	75,474	-
Subtotal			<u>3,004,879</u>	<u>-</u>
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	17-10157	375,333	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements - LEMSAC	93.074	17-10158	21,047	-
Subtotal			<u>396,380</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF SAN BERNARDINO, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Identification/ Pass-Through Entity Identification Number	Federal Award Expenditures	Pass-Through Awards to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
<u>California Department of Health Care Services:</u>				
Children's Health Insurance Program	93.767	4260-111-0001	\$ 876,318	\$ -
Projects for Assistance in Transition from Homelessness (PATH)	93.150	N/A	506,290	-
Block Grants for Community Mental Health Services	93.958	N/A	4,314,777	1,132,257
<u>California Department of Social Services:</u>				
Guardianship Assistance	93.090	1946001347-A7	6,677,005	-
Promoting Safe and Stable Families	93.556	1946001347-A7	2,256,551	2,073,992
Refugee and Entrant Assistance - State Administered Programs-Admin.	93.566	1946001347-A7	1,757	-
Refugee and Entrant Assistance - State Administered Programs	93.566	1946001347-A7	29,222	-
Subtotal			30,979	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	1946001347-A7	1,582,870	-
Foster Care Title IV-E - Probation	93.658	1946001347-A7	1,434,425	-
Foster Care Title IV-E - Children & Family Services	93.658	1946001347-A7	34,121,053	-
Foster Care Title IV-E - Transitional Assistance Department	93.658	1946001347-A7	43,866,028	-
Subtotal			79,421,506	-
Adoption Assistance - Administration	93.659	1946001347-A7	2,952,844	-
Adoption Assistance	93.659	1946001347-A7	34,028,168	-
Subtotal			36,981,012	-
Social Services Block Grant - Title XX	93.667	1946001347-A7	3,765,514	-
Social Services Block Grant	93.667	1946001347-A7	16,574,683	-
Subtotal			20,340,197	-
Adoption and Legal Guardianship Incentive Payments	93.603	1946001347-A7	909,236	-
Chafee Foster Care Independence Program	93.674	1946001347-A7	825,101	529,029
<u>California Department of Child Support Services:</u>				
Child Support Enforcement	93.563	1704CACSES	24,714,771	-
Child Support Enforcement Research FY 17-18	93.564	10-0685-21	121,084	-
<u>Child Care Development Fund (CCDF) Cluster:</u>				
<u>California Department of Education:</u>				
Child Care and Development Block Grant	93.575	36-2236	142,919	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	36-2236	311,172	-
Total CCDF Cluster			454,091	-
<u>California Department of Aging:</u>				
Medicare Enrollment Assistance Program -MIPPA	93.071	MI-1718-20	63,095	56,278
State Health Insurance Assistance Program	93.324	HI-1718-20	122,258	111,201
Affordable Care Act State Health Insurance Assistance Program (SHIP) and Aging and Disability Resource Center (ADRC) Options Counseling for Medicare-Medicaid Individuals in States with Approved Financial Alignment Models	93.626	FA-1718-20	37,224	31,060
<u>California Family Health Council:</u>				
Family Planning-Services	93.217	454-5320-71219-17-18	241,539	-
<u>Direct Programs:</u>				
<u>Health Center Program Cluster:</u>				
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224		459,130	-
Grants for New and Expanded Services under the Health Center Program	93.527		1,425,683	-
Total Health Center Program Cluster			1,884,813	-
Head Start - Early Head Start Program - Child Care Partnership	93.600		2,287,713	-
Head Start	93.600		48,321,304	3,652,465
Subtotal			50,609,017	3,652,465
HIV Emergency Relief Project Grants	93.914		6,637,469	5,793,450
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease- Part C	93.918		382,112	-
TOTAL - U.S. DEPARTMENT HEALTH AND HUMAN SERVICES			508,677,379	34,127,899
<u>U.S. EXECUTIVE OFFICE OF THE PRESIDENT</u>				
<u>Direct Programs:</u>				
High Intensity Drug Trafficking Areas Program - High Intensity Drug Trafficking Area (IRNET & RMTF)	95.001		21,649	-
High Intensity Drug Trafficking Areas Program - High Intensity Drug Trafficking Area (IRNET & RMTF)	95.001		424,936	-
High Intensity Drug Trafficking Areas Program - High Intensity Drug Trafficking Area (IRNET & RMTF)	95.001		670,985	-
High Intensity Drug Trafficking Areas Program - Southern California Drug Task Force (SCDTF) FY16-17	95.001		1,545	-
High Intensity Drug Trafficking Areas Program - Southern California Drug Task Force (SCDTF) FY17-18	95.001		46,038	-
Subtotal			1,165,153	-
TOTAL - U.S. EXECUTIVE OFFICE OF THE PRESIDENT			1,165,153	-

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF SAN BERNARDINO, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Identification/ Pass-Through Entity Identification Number	Federal Award Expenditures	Pass-Through Awards to Subrecipients
U.S. DEPARTMENT OF HOMELAND SECURITY				
<u>Pass-Through Programs:</u>				
<u>California Governor's Office of Emergency Services:</u>				
Fire Management Assistance Grant - Blue Cut Fire	97.046	071-00000	\$ 1,147,812	\$ -
Fire Management Assistance Grant - Pilot Fire	97.046	071-00000	253,714	-
Subtotal			1,401,526	-
Emergency Management Performance Grant (EMPG) FY 16-17	97.042	071-00000	561,061	195,421
Hazard Mitigation Grant	97.039	FEMA-4240-DR-CA; 071-91103	135,000	-
Subtotal			696,061	195,421
Homeland Security Grant Program - FY 14-15	97.067	071-00000	972,114	630,686
Homeland Security Grant Program - FY 15-16	97.067	071-00000	815,737	404,740
Homeland Security Grant Program - FY 16-17	97.067	071-00000	166,282	3,872
Subtotal			1,954,133	1,039,298
<u>City of Riverside Fire Department Office of Emergency Services:</u>				
Homeland Security Grant Program - Riverside Urban Areas Security Initiative (UASI) - FY15	97.067	065-62000	1,021	-
Homeland Security Grant Program - Riverside Urban Areas Security Initiative (UASI) - FY16	97.067	065-62000	60,666	-
Subtotal			61,687	-
<u>California Department of Parks & Recreation:</u>				
Boating Safety Financial Assistance	97.012	C1570602	20,013	-
Boating Safety Financial Assistance	97.012	C16L0614	100,000	-
Subtotal			120,013	-
<u>Direct Programs:</u>				
Preparing for Emerging Threats and Hazards	97.133		35,518	-
TOTAL - U.S. DEPARTMENT OF HOMELAND SECURITY			4,268,938	1,234,719
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 704,006,385	\$ 46,471,264

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF SAN BERNARDINO, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the County of San Bernardino, California (County) under programs of the federal government for the year ended June 30, 2018. The information in this Schedule 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 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. The County's reporting entity is defined in Note 1 to the County's basic financial statements.

The County's basic financial statements include the operations of the Housing Authority of the County of San Bernardino (Housing Authority), which expended \$104,207,968 in federal awards, which is not included in the schedule during the year ended June 30, 2018. Our audit did not include the operations of the Housing Authority because the Housing Authority engaged other auditors to perform an audit in accordance with the Uniform Guidance.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. 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 prior years.

NOTE 3 – PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

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 has 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 4 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The CFDA numbers included in this report were determined based on the program name, review of grant contract information, and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

COUNTY OF SAN BERNARDINO, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 5 – 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 6 – MEDICAID CLUSTER

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

NOTE 7 – INDIRECT COST RATE

The County, as a whole, has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Individual departments, or programs, may have a negotiated rate or they may have elected to use the 10-percent de minimis indirect cost rate within their individual grants.

NOTE 8 – LOAN PROGRAM WITH CONTINUING COMPLIANCE REQUIREMENTS

The County administers loans that are made from funds provided by the Community Development Block Grants (CFDA No. 14.218) and the Home Investment Partnerships Program (CFDA No. 14.239), and balances and transactions relating to the programs are included in the County’s basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. As of June 30, 2018, the outstanding loan receivables balance is as follows:

CFDA No.	Federal Program	Outstanding at June 30, 2018
14.218	Community Development Block Grant	
	Neighborhood Stabilization Program #1	\$ 20,620,229
	Neighborhood Stabilization Program #3	6,669,054
14.239	Home Investment Partnerships Program	41,596,675

COUNTY OF SAN BERNARDINO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>Yes</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major federal programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>Yes</u>
Type of auditors' report issued on compliance for major federal programs:	<u>Unmodified</u>

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.561</u>	<u>SNAP Cluster</u>
<u>10.557</u>	<u>WIC Special Supplemental Nutrition Program for Women, Infants, and Children</u>
<u>16.922</u>	<u>Equitable Sharing Program</u>
<u>17.258, 17.259, 17.278</u>	<u>WIOA Cluster</u>
<u>93.558</u>	<u>TANF Cluster</u>
<u>93.069</u>	<u>Public Health Emergency Preparedness</u>
<u>93.600</u>	<u>Head Start</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 3,000,000
 Auditee qualified as low-risk auditee? Yes

COUNTY OF SAN BERNARDINO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

II. FINANCIAL STATEMENT FINDINGS

Finding 2018-001

CASH RECONCILIATIONS

Criteria:

The County's Internal Controls and Cash Manual states "Departments must reconcile bank accounts monthly by someone other than the cashier or the person who makes the deposits."

Condition:

Significant Deficiency – As a result of our audit procedures over the County's cash receipts process, we noted that cash reconciliations were not performed timely by the Solid Waste Division of the Department of Public Works and the General Accounting Section of the Auditor-Controller/Treasurer/Tax Collector.

Context:

During our interim and final fieldwork, we requested the May 2018 and June 2018 cash reconciliations from the Solid Waste Division of the Department of Public Works and the General Accounting Section of the Auditor-Controller/Treasurer/Tax Collector, respectively. We noted that the reconciliations were not performed at the time of our fieldwork.

It was noted that the last cash reconciliation that was performed by the Solid Waste Division of the Department of Public Works and the General Accounting Section of the Auditor-Controller/Treasurer/Tax Collector was for October 2017 and January 2018, respectively.

It was also noted that the cash reconciliations for the Solid Waste Division of the Department of Public Works and the General Accounting Section of the Auditor-Controller/Treasurer/Tax Collector were subsequently completed prior to the completion of the financial statement audit.

Effect:

Cash reconciliations not being performed timely could result in a misstatement of cash balances. Cash transactions could possibly be incorrectly recorded and all assets might not be accounted for.

Cause:

The Departments did not perform cash reconciliations in accordance with their Internal Controls and Cash Manual due to the implementation of a new accounting system (SAP) in October 2017.

Recommendation:

We recommend that the Solid Waste Division of the Department of Public Works and the General Accounting Section of the Auditor-Controller/Treasurer/Tax Collector strengthen their controls over the cash receipts process by reconciling cash on a monthly basis as stated in the County's Internal Controls and Cash Manual.

View of Responsible Officials and Planned Corrective Action:

See separate corrective action plan.

COUNTY OF SAN BERNARDINO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding 2018-002

Program: Supplemental Nutrition Assistance Program (SNAP) Cluster

CFDA No.: 10.561

Federal Grantor: U.S. Department of Agriculture (USDA)

Passed-through: California Department of Social Services

Award Year: FY 2017-18

Compliance Requirements: Special Tests and Provisions – ADP System for SNAP

Criteria:

In accordance with the *2017 OMB Compliance Supplement*, State agencies are required to automate their SNAP operations and computerize their systems for obtaining, maintaining, utilizing, and transmitting information concerning SNAP (7 CFR sections 272.10 and 277.18). This includes:

- (1) processing and storing all case file information necessary for eligibility determination and benefit calculation, identifying specific elements that affect eligibility, and notifying the certification unit of cases requiring notices of case disposition, adverse action and mass change, and expiration;
- (2) providing an automatic cutoff of participation for households which have not been recertified at the end of their certification period by reapplying and being determined eligible for a new period (7 CFR sections 272.10(b)(1)(iii) and 273.10(f) and (g)); and
- (3) generating data necessary to meet Federal issuance and reconciliation reporting requirements.

In addition, in accordance with 2 CFR 200.303(a)-Internal Controls, the non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition:

Significant Deficiency, Instance of Non-Compliance – As a result of our testwork, we noted 1 case out of 60 where an individual was deemed ineligible for benefits through an Income and Eligibility Verification System (IEVS) report due to income eligibility thresholds, however, the case was passed from one case worker to a different case worker and the benefits were processed. As such, the applicant received SNAP benefits despite being ineligible.

We also noted that the County’s Quality Assurance (QA) unit detected this error after six months of benefits were processed for the ineligible individual. Benefits were terminated immediately and the County is currently in the process of recovering the benefits from the individual.

Questioned Costs:

There are known questioned costs totaling \$11,597.

COUNTY OF SAN BERNARDINO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Context:

The condition noted above was identified during our procedures related to Special Tests and Provisions under the *Uniform Guidance*.

Effect:

An individual that was deemed ineligible for SNAP benefits due to income thresholds was processed as an eligible recipient.

Cause:

Effective procedures over eligibility determination were not administrated by the County to detect and respond to discrepancies in applicant eligibility.

Recommendation:

We recommend the County strengthen controls over applicant eligibility in accordance with the *Uniform Guidance*.

Views of Responsible Officials and Planned Corrective Actions:

See separate corrective action plan.

Finding 2018-003

Program: Public Health Emergency Preparedness

CFDA No.: 93.069

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

Passed-through: California Department of Public Health

Award Year: FY 2017-18

Compliance Requirements: Procurement, Suspension, Debarment

Criteria:

Title 2 CFR Section 200.213 of the Uniform Guidance states that the County must comply with 2 CFR part 180, which implements Executive Order 12549 and 12689, "Debarment and Suspension;" Federal awarding agency regulation in Title 2 of the CFR adopting/implementing the OMB guidance in 2 CFR part 180; program legislation; and the terms and conditions of the award. The 2018 compliance supplement states:

- Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

COUNTY OF SAN BERNARDINO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

- When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA) and available at <https://www.sam.gov/portal/public/SAM/>, (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).
- Non-Federal entities receiving contracts from the Federal Government are required to comply with the contract clause at FAR 52.209-6 before entering into a subcontract that will exceed \$30,000, other than a subcontract for a commercially available off-the-shelf item.

Condition:

Significant Deficiency, Instance of Non-Compliance - As a result of the test work performed, we noted the County did not have proper procedures in place for verifying that vendors were not debarred, suspended or otherwise excluded prior to entering into covered transactions.

Questioned Costs:

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

Context:

Eight of the eight procurements selected for test work did not have evidence of suspension and debarment verification prior to entering into the covered transaction. However, for all 8 procurements selected for testing, we noted none of the vendors selected were identified as a suspended or debarred vendor on Sam.gov as of the date of our fieldwork.

Effect:

As a result of the condition noted, there is an increased risk of non-compliance with procurement, suspension and debarment requirements.

Cause:

The County does not have proper procedures in place to verify that vendors are not suspended, debarred or otherwise excluded prior to entering into covered transactions.

Recommendation:

We recommend the County implement policies and procedures to verify that all vendors who are providing services to federally funded programs in excess of \$25,000 are not suspended, debarred, or otherwise excluded. This verification should be checked on the Sam.gov website, and evidence of the verification should be maintained.

Views of Responsible Officials and Planned Corrective Actions:

See separate correction action plan.

COUNTY OF SAN BERNARDINO, CALIFORNIA

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

Finding No.	Program Name/Description	CFDA No.	Compliance Requirement	Status of Corrective Action
2017-001	Highway Planning and Construction Cluster	20.205	Reporting	Implemented
2017-002	Highway Planning and Construction Cluster	20.205	Allowable Costs/Cost Principles, Cash Management	Implemented
2017-003	Foster Care- Title IV-E	93.658	Allowable Costs/Cost Principles	Implemented

COUNTY OF SAN BERNARDINO, CALIFORNIA

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Finding No.	Program Name/ Description	CFDA No.	Compliance Requirement	Status of Corrective Action
2017-004	HIV Emergency Relief Project Grant	93.914	Allowable Costs/Cost Principles, Cash Management	Implemented
2017-005	HIV Emergency Relief Project Grant	93.914	Subrecipient Monitoring	Implemented
2017-006	Block Grants for Community Mental Health Services	93.958	Subrecipient Monitoring	Implemented

COUNTY OF SAN BERNARDINO, CALIFORNIA

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Finding No.	Program Name/Description	CFDA No.	Compliance Requirement	Status of Corrective Action
2017-007	Block Grants for Community Mental Health Services	93.958	Procurement, Suspension, and Debarment	Implemented
2016-002	Substance Abuse Prevention and Treatment Block Grant	93.959	Procurement Suspension and Debarment	Implemented
2016-003	Medical Assistance Program (Medicaid Cluster)	93.778	Allowable Costs/Cost Principles, Cash Management	Implemented
2016-004	Medical Assistance Program (Medicaid Cluster)	93.778	Eligibility	Implemented

COUNTY OF SAN BERNARDINO, CALIFORNIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Finding No.	Program Name/ Description	CFDA No.	Compliance Requirement	Status of Corrective Action
2016-008	Community Development Block Grant (CDBG) - Entitlement Grants Cluster	14.218	Allowable Costs/Cost Principles	Implemented
2016-011	Home Investment Partnerships Program (HOME)	14.239	Allowable Costs/Cost Principles	Implemented
2016-012	Home Investment Partnerships Program (HOME)	14.239	Program Income	<p>Compliance Requirement No Longer Applicable Due to Change in HUD Regulations -</p> <p>In January 2017, HUD revised the regulations governing the HOME program components of the action plans for local governments (§ 91.220) and States (§ 91.320). Specifically, this rule revises sections § 91.220(1)(2)(i) and § 91.320(k)(2)(i) to require the participating jurisdiction to include uncommitted program income, repayments, and recaptured funds that it has received during the previous year in the resources it describes in its annual action plan. The rule gives participating jurisdictions the option to include program income, repayments, or recaptures expected to be received during the program year in the summary of anticipated Federal resources described in their annual action plan instead of requiring program income to be used before drawing down any new HOME funds. However, the department did not become aware of this change in regulation until August 2017. From the prior audit report until June 30, 2017 the department did not draw down any program income or entitlement funds. The first entitlement draw was made in August 2017, after the department was notified of the change in regulation.</p>

COUNTY OF SAN BERNARDINO, CALIFORNIA

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Finding No.	Program Name/Description	CFDA No.	Compliance Requirement	Status of Corrective Action
2016-014	Home Investment Partnerships Program (HOME)	14.239	Special Tests and Provisions - Wage Rate Requirements	Implemented
2016-015	Aging Cluster	93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053	Allowable Costs/Cost Principles, Cash Management	Implemented

