

COUNTY OF MARIN
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2021



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**COUNTY OF MARIN
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2021
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**INDEPENDENT AUDITORS' 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**

Board of Supervisors
County of Marin
San Rafael, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Marin (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 31, 2022. Our report includes a reference to other auditors who audited the financial statements of the Housing Authority of the County of Marin, the Marin County Transit District and the pension trust fund, which represent the following percentages of assets and revenues/additions as of and for the fiscal year ended June 30, 2021, as described in our report on the County's financial statements:

<u>Opinion Unit</u>	<u>Assets</u>	<u>Revenues/ Additions</u>
Business-Type Activities	86.7%	92.0%
Marin County Transit District	100.0	100.0
Housing Authority of the County of Marin	100.0	100.0
Aggregate Discretely Presented Component Units	100.0	100.0
Pension Trust Fund	100.0	100.0

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) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be material weaknesses.

Compliance and Other Matters

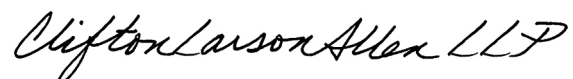
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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



CliftonLarsonAllen LLP

Roseville, California
March 31, 2022



**INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Supervisors
County of Marin
San Rafael, California

Report on Compliance for Each Major Federal Program

We have audited the County of Marin’s (the County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2021. The County’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

The County’s basic financial statements include the operations of the following entities, which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2021:

<u>Entity</u>	<u>Federal Expenditures</u>
Housing Authority of the County of Marin	\$ 61,697,936
Marin County Transit District	12,226,858

Our audit, described below, did not include the operations of those entities as those entities were audited separately by other auditors 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* (CFR) 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 adverse and unmodified opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County’s compliance.

Basis for Adverse Opinion on COVID-19 Emergency Rental Assistance Program

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing Number 21.023 COVID-19 Emergency Rental Assistance Program as described in finding number 2021-003 for Allowable Costs and Activities and Eligibility. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Adverse Opinion on COVID-19 Emergency Rental Assistance Program

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on COVID-19 Emergency Rental Assistance Program paragraph, the County did not comply, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on the COVID-19 Emergency Rental Assistance Program for the year ended June 30, 2021.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-003 that we consider to be a material weakness.

The County's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

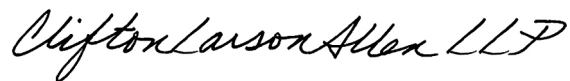
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated March 31, 2022, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Housing Authority of the County of Marin, the Marin County Transit District and pension trust fund, which represent the following percentages of assets and revenues/additions as of and for the fiscal year ended June 30, 2021:

<u>Opinion Unit</u>	<u>Assets</u>	<u>Revenues/ Additions</u>
Business-Type Activities	86.7%	92.0%
Marin County Transit District	100.0	100.0
Housing Authority of the County of Marin	100.0	100.0
Aggregate Discretely Presented Component Units	100.0	100.0
Pension Trust Fund	100.0	100.0

Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included are based solely on the reports of the other auditors. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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 expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Roseville, California
March 31, 2022

COUNTY OF MARIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
<u>U.S. Department of Agriculture</u>				
Passed through California Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-0727-044-SF	\$ 79,470	\$ -
Plant and Animal Disease, Pest Control, and Animal Care	10.025	20-0270-010-SF	2,240	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	20-0270-032-SF	7,902	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	20-0506-022-SF	5,435	-
Subtotal Assistance Listing Number 10.025			95,047	-
National School Lunch Program - Nutrition Education & Obesity Prevention (NEOP)	10.555	—	180,248	-
Subtotal Pass-Through			275,295	-
Passed through California Department of Social Services:				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	—	1,053,371	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	—	6,659,592	-
Subtotal Pass-Through			7,712,963	-
Total U.S. Department of Agriculture			\$ 7,988,258	\$ -
<u>U.S. Department of Education</u>				
Passed through California Department of Rehabilitation:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	—	64,679	-
Total U.S. Department of Education			\$ 64,679	\$ -
<u>U.S. Department of Health and Human Services</u>				
Passed through California Department of Aging:				
Title VII - Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	—	3,350	-
Title VII - Long-Term Care Ombudsman Services for Older Individuals	93.042	—	50,645	-
Title IIID - Disease Prevention and Health Promotion Services	93.043	—	19,638	-
Title IIIE - National Family Caregiver Support	93.052	—	159,499	-
Aging Cluster:				
Title IIIB - Grants for Supportive Services and Senior Centers	93.044	—	506,043	-
Title III C1 - Nutrition Services	93.045	—	595,896	-
Nutrition Services Incentive Program	93.053	—	58,491	-
Subtotal Aging Cluster			1,160,430	-
Subtotal Pass-Through			1,393,562	-
Passed through California Department of Health Care Services:				
Public Health Emergency Preparedness	93.069	—	362,585	-
Projects Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	—	23,179	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	—	187,427	-
Immunization Cooperative Agreements	93.268	—	435,640	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	—	297,982	-
Medical Assistance Program	93.778	—	16,914,216	-
National Bioterrorism Hospital Preparedness Program	93.889	—	191,100	-
HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A)	93.914	—	570,254	479,274

**COUNTY OF MARIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	93.917	—	255,586	125,777
HIV Prevention Activities - Health Department Based	93.940	—	89,688	82,191
Block Grant for Community Mental Health Services	93.958	—	809,643	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	—	1,455,503	-
Maternal and Child Health Services Block Grant	93.994	—	228,349	30,362
Subtotal Pass-Through			21,821,152	717,604
Passed through California Department of Social Services:				
Guardianship Assistance	93.090	—	32,248	-
Promoting Safe and Stable Families	93.556	—	116,334	-
Temporary Assistance for Needy Families (TANF)	93.558	—	10,082,991	-
Child Support Enforcement	93.563	—	2,110,086	-
Stephanie Tubbs Jones Child Welfare Services Programs	93.645	—	401,906	-
Foster Care Title IV-E	93.658	—	2,053,678	-
Adoption Assistance Program	93.659	—	1,025,191	-
Social Services Block Grant	93.667	—	179,411	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	—	62,803	-
Subtotal Pass-Through			16,064,648	-
Passed through California Department of Public Health:				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	—	1,303,348	-
Subtotal Pass-Through			1,303,348	-
Total U.S. Department of Health and Human Services			\$ 40,582,710	\$ 717,604
<u>U.S. Department of Homeland Security</u>				
Passed through California Governor's Office of Emergency Services:				
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4482-DR-CA 148444	133,326	-
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4482-DR-CA 177161	2,664,247	-
Subtotal Assistance Listing Number 97.036			2,797,573	-
Hazzard Mitigation Grant	97.039	HMGP #4240-044-032R	36,517	-
Hazzard Mitigation Grant	97.039	HMGP #4301-36-13R	144,860	-
Hazzard Mitigation Grant	97.039	HMGP #4344-618-027R	9,332	-
Hazzard Mitigation Grant	97.039	HMGP #4353-8-8R	171,495	-
Subtotal Assistance Listing Number 97.039			362,204	-
Emergency Management Performance Grants	97.042	EMPG 2019	49,026	-
Emergency Management Performance Grants	97.042	EMPG 2020	79,130	-
Emergency Management Performance Grants	97.042	2020 EMPG-S	70,528	-
Subtotal Assistance Listing Number 97.042			198,684	-
Homeland Security Grant Program	97.067	2019-0035	38,435	-
Homeland Security Grant Program	97.067	SHSGP 2018	96,014	-
Homeland Security Grant Program	97.067	SHSGP 2019	80,081	-
Subtotal Pass-Through			214,530	-
Passed through Bay Area Urban Areas Security Initiatives (UASI)				
Homeland Security Grant Program	97.067	UASI2018	148,857	-
Homeland Security Grant Program	97.067	UASI2019	140,203	-
Subtotal Pass-Through			289,060	-
Subtotal Assistance Listing Number 97.067			503,590	-
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2019-FF-01742	350,000	-
Total U.S. Department of Homeland Security			\$ 4,212,051	\$ -

COUNTY OF MARIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
Community Development Block Grant/Entitlement Grants	14.218	—	3,216,682	453,963
LOANS: Community Development Block Grant-Entitlement Grants	14.218	—	4,145,709	-
Subtotal Assistance Listing Number 14.218			7,362,391	453,963
Emergency Solutions Grant Program	14.231	—	64,641	-
HOME Investment Partnerships Program	14.239	—	88,039	-
LOANS: HOME Investment Partnerships Program	14.239	—	12,288,053	-
Subtotal Assistance Listing Number 14.239			12,376,092	-
LOANS: Housing Opportunities for Persons with AIDS	14.241	—	470,000	-
Continuum of Care Program	14.267	—	340,941	-
Total U.S. Department of Housing and Urban Development			20,614,065	453,963
<u>U.S. Department of the Interior</u>				
Direct Programs:				
National Fire Plan-Wildland Urban Interface Community Fire Assistance	15.948	—	620,933	-
National Parks Service Conservation, Protection, Outreach and Education	15.954	—	90,915	-
Subtotal Direct Programs			711,848	-
Total U.S Department of the Interior			\$ 711,848	\$ -
<u>U.S. Department of Justice</u>				
Direct Programs:				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	—	181,969	181,969
State Criminal Alien Assistance Program	16.606	—	300,000	-
Equitable Sharing Program (Asset Forfeiture)	16.922	—	19,607	-
Subtotal Direct Programs			501,576	181,969
Passed through California Governor's Office of Emergency Services:				
Crime Victim Assistance	16.575	AT19020210	72,920	67,272
Crime Victim Assistance	16.575	AT20010210	71,925	65,151
Crime Victim Assistance	16.575	KC19030210	128,567	70,804
Crime Victim Assistance	16.575	KC20040210	32,915	28,113
Crime Victim Assistance	16.575	UV19040210	91,101	-
Crime Victim Assistance	16.575	UV20050210	77,759	-
Crime Victim Assistance	16.575	VW19380210	136,630	-
Crime Victim Assistance	16.575	VW20390210	304,582	-
Crime Victim Assistance	16.575	XC19020210	103,058	-
Crime Victim Assistance	16.575	XC20030210	97,739	-
Subtotal Assistance Listing Number 16.575 and Pass-Through			1,117,196	231,340
Passed through Board of State and Community Corrections:				
Coronavirus Emergency Supplemental Funding Program	16.034	BSCC 131-20	64,619	-

**COUNTY OF MARIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 0028-18-MH	8,100	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 653-19	102,829	-
Subtotal Assistance Listing Number 16.738			<u>110,929</u>	<u>-</u>
Subtotal Pass-Through			<u>175,548</u>	<u>-</u>
Total U.S. Department of Justice			<u>\$ 1,794,320</u>	<u>\$ 413,309</u>
<u>U.S. Department of Labor</u>				
Passed through Workforce Alliance of the North Bay (WANB):				
WIOA Cluster:				
WIOA Cluster: WIOA - Adult Programs	17.258	—	209,229	-
WIOA - Dislocated Worker Formula Grants	17.278	—	304,896	-
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	—	<u>144,364</u>	<u>-</u>
Subtotal WIOA Cluster			<u>658,489</u>	<u>-</u>
Total U.S. Department of Labor			<u>\$ 658,489</u>	<u>\$ -</u>
<u>U.S. Department of Transportation</u>				
Passed through California Department of Transportation:				
Airport Improvement Program	20.106	03-06-0167-22	12,162	-
Airport Improvement Program	20.106	03-06-0167-26	40,251	-
Airport Improvement Program	20.106	03-06-0167-28	<u>15,186</u>	<u>-</u>
Subtotal Assistance Listing Number 20.106			<u>67,599</u>	<u>-</u>
Highway Planning and Construction Cluster:				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	BRLS-5927(094)	33,924	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	BRLS-5927(097)	29,640	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	BRLS-5927(099)	71,978	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	BRLS-5927(100)	45,358	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	HSIP-5927(112)	110,170	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	HSIP-5927(114)	233,907	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	HSIP-5927(118)	576,496	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	HSIP-5927(119)	245,414	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	HSIP-5927(122)	<u>190,433</u>	<u>-</u>
Subtotal Assistance Listing Number 20.205 and Cluster			<u>1,537,320</u>	<u>-</u>
Passed through California Office of Traffic Safety:				
Highway Safety Cluster: Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL20017	4,854	-
Highway Safety Cluster: Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL21021	<u>46,728</u>	<u>-</u>
Subtotal Assistance Listing Number 20.608			<u>51,582</u>	<u>-</u>
Highway Safety Cluster:				
National Priority Safety Programs	20.616	DI 20007	57,728	-
National Priority Safety Programs	20.616	DI 21025	<u>149,821</u>	<u>-</u>
Subtotal Highway Safety Cluster			<u>207,549</u>	<u>-</u>
Subtotal Pass-Through			<u>259,131</u>	<u>-</u>
Total U.S. Department of Transportation			<u>\$ 1,864,050</u>	<u>\$ -</u>

**COUNTY OF MARIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
<u>U.S. Department of the Treasury</u>				
Direct Programs:				
COVID-19 Equitable Sharing Program	21.016	—	1,460	-
COVID-19 Emergency Rental Assistance Program	21.023	—	5,973,366	-
Subtotal Direct Programs			<u>5,974,826</u>	<u>-</u>
Passed through the State of California:				
COVID-19 Coronavirus Relief Fund (FY 20-21)	21.019	—	9,744,156	-
COVID-19 Coronavirus Relief Fund (FY 19-20)	21.019	—	16,849,967	-
Subtotal Assistance Listing Number 21.019			<u>26,594,123</u>	<u>-</u>
Total U.S. Department of the Treasury			<u>\$ 32,568,949</u>	<u>\$ -</u>
<u>U.S. Election Assistance Commission</u>				
Passed through the California State Elections Office:				
Help America Vote Act Requirements Payments	90.401	16G30112	64	-
Help American Vote Act, Section 101, Funds for Coronavirus Emergency	90.404	20G26121	623,960	-
Subtotal Pass-Through			<u>624,024</u>	<u>-</u>
Total Election Assistance Commission			<u>\$ 624,024</u>	<u>\$ -</u>
<u>U.S. Environmental Protection Agency</u>				
Direct Program:				
The San Francisco Bay Water Quality Improvement Fund	66.126	—	5,360	-
Total U.S. Environmental Protection Agency			<u>\$ 5,360</u>	<u>\$ -</u>
<u>U.S. General Services Administration</u>				
Passed through the California State:				
Help America Vote Act of 2002 (HAVA) Title 1, Section 101 Funds	39.011	18G26121	164	-
Total U.S. Election Assistance Commission			<u>\$ 164</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 111,688,967</u>	<u>\$ 1,584,876</u>

**COUNTY OF MARIN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

NOTE 1: REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the County of Marin, except for those activities of the *Housing Authority of the County of Marin* and the *Marin County Transit District*. The County of Marin's reporting entity is defined in Note 1 to the County's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule. The *Housing Authority of the County of Marin* and the *Marin County Transit District* are component units of the County. Separate basic financial statement reports have been issued for the *Housing Authority of the County of Marin* and the *Marin County Transit District* by other auditors.

The information in this Schedule is presented in accordance with the requirements of 2 CFR 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 of Marin, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Marin.

The expenditures incurred under federal award programs audited by other auditors are as follows:

Entity	Federal Expenditures
Housing Authority of the County of Marin	\$ 61,697,936
Marin County Transit District	12,226,858

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting and the accrual basis of accounting for program expenditures accounted for in governmental funds and proprietary funds, respectively, as described in Note 2 of the County's basic financial statements.

NOTE 3: ASSISTANCE LISTING NUMBERS

The program titles and Assistance Listing Numbers were obtained from the federal or pass-through grantor. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 4: INDIRECT COST RATE

The County did not elect to use the 10% de minimis indirect cost rate as covered in 2 CFR §200.414. Uniform Guidance, §200.510(6), requires the County to disclose whether or not it elected to use the 10 percent de minimis cost rate that §200.414(f) allows for nonfederal entities that have never received a negotiated indirect cost rate.

NOTE 5: PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

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

**COUNTY OF MARIN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

NOTE 6: DEPARTMENT OF AGING FEDERAL/STATE SHARE

The California Department of Aging (CDA) requires agencies who receive CDA funding to display state-funded expenditures discretely along with federal expenditures. The County expended the following state and federal amounts under these grants:

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Expenditures	
		State	Federal
U.S. Department of Health and Human Services			
<i>Passed through California Department of Aging:</i>			
Title VII - Elder Abuse Prevention	93.041	\$ -	\$ 3,350
Title VII - Long-Term Care Ombudsman Services for Older Individuals	93.042	-	50,645
Title IIID - Disease Prevention and Health Promotion Services	93.043	-	19,638
Title IIIB - Grants for Supportive Services and Senior Centers	93.044	106,562	506,043
Title IIIC1 - Nutrition Services	93.045	107,723	134,560
Title IIIC2 - Nutrition Services	93.045	188,677	461,336
Title IIIE - National Family Caregiver Support	93.052	-	159,499
Nutrition Services Incentive Program	93.053	-	58,491
Ombudsman - PHL & C		3,239	-
Ombudsman - SHFCPA		18,129	-
Ombudsman - SNF Quality & Accountability		15,383	-
		\$ 439,713	\$ 1,393,562

NOTE 7: LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

Outstanding federally-funded program loans, with continuing compliance requirements, carried balances as of June 30, 2021, as follows:

Federal Assistance Listing	Program Title	SEFA June 30, 2021	FY 20-21 Activity	County Balance June 30, 2021
14.218	Community Development Block Grants			
	Entitlement Grants	\$ 4,145,709	\$ -	\$ 4,145,709
14.239	HOME Investment Partnerships Program	12,288,053	(29,880)	12,258,173
14.241	Housing Opportunities for Persons with AIDS	470,000	-	470,000
		\$ 16,903,762	\$ (29,880)	\$ 16,873,882

**COUNTY OF MARIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

- | | | |
|--|---------------|---|
| 1. Type of auditors’ report issued: | Unmodified | |
| 2. Internal control over financial reporting: | | |
| • Material weakness(es) identified? | _____ x _____ | yes no |
| • Significant deficiency(ies) identified? | _____ | yes x none reported |
| 3. Noncompliance material to financial statements noted? | _____ | yes x no |

Federal Awards

- | | | |
|---|--|---|
| 1. Internal control over major federal programs: | | |
| • Material weakness(es) identified? | _____ x _____ | yes no |
| • Significant deficiency(ies) identified? | _____ | yes x none reported |
| 2. Type of auditors’ report issued on compliance for major federal programs: | Unmodified for all major federal programs except for the COVID-19 Emergency Rental Assistance Program, Assistance Listing Number 21.023, which is adverse. | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | _____ x _____ | yes no |

Identification of Major Federal Programs

Assistance Listing Number(s)

10.561
14.239
21.019
21.023
93.323

97.036

Name of Federal Program or Cluster

Supplemental Nutrition Assistance Program (SNAP)
HOME Investment Partnerships Program
COVID-19 Coronavirus Relief Fund
COVID-19 Emergency Rental Assistance Program
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
COVID-19 Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ x _____ yes no

**COUNTY OF MARIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

2021 – 001 Revenue Recognition

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The Emergency Rental Assistance Program (ERAP) is a reimbursement type grant. As such allowable expenditures are considered an eligibility requirement for revenue recognition. The County recognized revenue for advances from the ERAP when allowable expenditures had not occurred, resulting in a material adjustment to reduce revenue and record unearned revenue at June 30, 2021. Additionally, the County recorded accounts receivable and revenue for FEMA Presidentially Declared Disaster Grants where the County did not have approved Grant Awards as of June 30, 2021.

Criteria or specific requirement: Governmental Accounting Standards Board Pronouncement 33 - *Accounting and Financial Reporting for Nonexchange Transactions* states revenue recognition for government-mandated nonexchange transactions should occur only when all applicable eligibility requirements are met and the revenues are available. Additionally an approved grant agreement or obligation of funding must be in place during the reporting fiscal year.

Effect: The County's financial statements overstated revenue and understated unearned revenue by \$5,498,450 in the general fund and government wide governmental type statements at June 30, 2021. Additionally, the County's financial statements overstated receivables and revenue by \$4,834,435 in the health and human services operating fund and government wide governmental type statements at June 30, 2021.

Cause: ERAP was a new program in the current year and the County did not identify that it was a reimbursement type grant with allowable expenditures as an eligibility requirement to recognize revenue. The County initially believed the approval of the Great Plates funding by FEMA for the Presidentially Declared Disaster Program was sufficient to record a receivable and revenue for eligible reimbursable expenditures for the year ended June 30, 2021. However, on further investigation the County did not have an approved grant agreement/project worksheet from FEMA or an approved obligation as of June 30, 2021, and therefore should not have recorded the receivables and revenue related to the Great Plates program.

Repeat Finding: This is not a repeat finding.

Recommendation: When the County receives funding from new federal programs, there should be a process to document the County's determination of if the grant program is a reimbursement type grant requiring allowable expenditures as an eligibility requirement to recognize revenue. Additionally, the County should have a process in place to document when it receives an approved project worksheet and/or obligation from FEMA to determine the point in time when a receivable and revenue can be recorded related to eligible expenditures.

Views of responsible officials: We agree with the finding and recommendation. All government grants will be reviewed in detail to ensure there is an organization-wide understanding of their specific compliance and eligibility requirements and the appropriate criteria for revenue recognition and/or expense obligation in accordance with generally accepted accounting principles.

COUNTY OF MARIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

Section II – Financial Statement Findings (Continued)

2021 – 002 Statement of Expenditure of Federal Awards

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The Schedule of Expenditure of Federal Awards (SEFA) was overstated by \$16,790,783 for expenditures incurred related to the FEMA Presidentially Declared Disaster Program where the County did not have approved Grant Awards as of June 30, 2021.

Criteria or specific requirement: To include eligible expenditures of federal awards in the SEFA, an approved grant agreement or obligation of funding must be in place during the reporting fiscal year.

Effect: If SEFA expenditures are overstated or understated it could cause an error in the major program determinations resulting in a failure to audit the appropriate programs in accordance with Uniform Guidance.

Cause: The County initially believed the approval of funding by FEMA for the Presidentially Declared Disaster Program was sufficient to recognize the eligible expenditures on the SEFA for the year ended June 30, 2021. However, on further investigation the County did not have an approved grant agreement/project worksheet from FEMA, or an approved obligation as of June 30, 2021, and therefore should not have included the expenditures in its SEFA.

Repeat Finding: This is not a repeat finding.

Recommendation: The County should have a process in place to document when it receives an approved project worksheet and/or obligation from FEMA to determine the point in time when expenditures related to the grant are allowed to be included in the SEFA.

Views of responsible officials: We agree with the finding and recommendation. Milestones for all FEMA Public Assistance programs will be closely monitored to ensure that expenditures are recorded in the SEFA when FEMA has approved the project worksheet, in addition to the incurrence of eligible expenditures.

COUNTY OF MARIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

Section III – Findings and Questioned Costs – Major Federal Programs

2021 – 003

Federal agency: U.S. Department of the Treasury

Federal program title: COVID-19 Emergency Rental Assistance Program

Assistance Listing Number: 21.023

Pass-Through Agency: N/A

Pass-Through Number(s): N/A

Award Period: July 1, 2020 to June 30, 2021

Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance

Criteria: To be eligible, a household must be obligated to pay rent on a residential dwelling and the grantee must determine that: 1) one or more individuals within the household has qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due, directly or indirectly, to the COVID-19 outbreak; 2) one or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability; and 3) the household has a household income at or below 80% of area median income.

Condition: Disbursement of benefits under the program were made to individuals that were not eligible for benefits. The program manager assisted in approving these fraudulent applications.

Questioned costs: Known questioned costs of \$1,780,325.

Context: Grantees must obtain, if available, a current lease, signed by the applicant and the landlord or sublessor that identifies the unit where the applicant resides and establishes the rental payment amount. If a household does not have a signed lease, documentation of residence may include evidence of paying utilities for the residential unit, an attestation by a landlord who can be identified as the verified owner or management agent of the unit, or other reasonable documentation as determined by the grantee. In the absence of a signed lease, evidence of the amount of a rental payment may include bank statements, check stubs, or other documentation that reasonably establishes a pattern of paying rent, a written attestation by a landlord who can be verified as the legitimate owner or management agent of the unit, or other reasonable documentation as defined by the grantee in its policies and procedures. This documentation was falsified.

Cause: When the program was set up at the County it was done quickly and as a result proper segregation of duties in accordance with County policy was not established. This allowed the program manager to receive applications, review applications and approve applications with no additional oversight. This created the opportunity for the program manager to assist in committing this fraud.

Effect: As a result, benefit payments were approved to individuals that were not eligible to receive these benefits in the amount of \$1.7 million.

Repeat Finding: Not a repeat finding.

**COUNTY OF MARIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Recommendation: When establishing a new program, the County should have policies in place to ensure that a proper internal control structure in accordance with County policy is established before the program is given the authority to proceed with accepting applications for benefits.

Views of responsible officials: We agree with the finding and recommendation. Prior to establishing a new program, corresponding policies and procedures will be reviewed for sufficiency in establishing and maintaining an internal control framework that provides reasonable assurance of compliance with federal statutes, regulations, and terms and conditions of relevant federal awards.

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