

COUNTY OF SAN LUIS OBISPO
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2019



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**COUNTY OF SAN LUIS OBISPO
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2019
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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 San Luis Obispo
San Luis Obispo 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 Luis Obispo (the County), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 17, 2020. Our report includes a reference to other auditors who audited the financial statements of San Luis Obispo County Pension Trust (SLOCPT), a pension trust fund, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal controls 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001 that we consider to be a material weakness.

Board of Supervisors
County of San Luis Obispo

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 finding 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.



Roseville, California
January 17, 2020



**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 San Luis Obispo
San Luis Obispo, California

Report on Compliance for Each Major Federal Program

We have audited the County of San Luis Obispo'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, 2019. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

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 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, 2019.

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the 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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated January 17, 2020, which contained unmodified opinions on those financial statements. We did not audit the financial statements of San Luis Obispo County Pension Trust (SLOCPT), a pension trust fund. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for SLOCPT, are based solely on the reports of 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.

Other Matters

The supplementary schedules of the California Governor's Office of Emergency Services and the Board of State and Community Corrections Grant Expenditures have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.



CliftonLarsonAllen LLP

Roseville, California
January 17, 2020

**COUNTY OF SAN LUIS OBISPO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER/GRANT NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U. S. DEPARTMENT OF AGRICULTURE				
Direct Programs:				
USDA Community Food Project	10.225	2016-33800-25603	\$ -	\$ 1,261,00
USDA Community Food Project- PY	10.225	2016-33800-25603	-	3,852
Subtotal CFDA 10.225			-	5,113
Passed through State Dept of Health Care Svcs:				
Women Infant Children Nutrition Program	10.557	15-10074	-	1,311,748
Women Infant Children Nutrition Program -PrYrAdj	10.557	15-10074	-	(1,430)
Subtotal CFDA 10.557			-	1,310,318
Passed through State Dept of Food and Agriculture:				
ACP Bulk Citrus	10.025	18-0416-000-SA	-	11,364
ACP Bulk Citrus (Prior Year)	10.025	18-0416-000-SA	-	738
Glassy-Winged Sharpshooter	10.025	17-0453-029-SF	-	351,118
Glassy-Winged Sharpshooter (Prior Year)	10.025	17-0453-029-SF	-	77
Asian Citrus Psyllid Detection	10.025	16-0594-SF, 16-0594-SF Amd #1, 17-0428-005-SF	-	186,550
European Grape Vine Moth	10.025	17-0549-009-SF, 18-0619-023-SF	-	143,004
European Grape Vine Moth (Prior Year)	10.025	17-0549-009-SF, 18-0619-023-SF	-	9
Light Brown Apple Moth Detection	10.025	18-0299-020-SF	-	6,513
Light Brown Apple Moth Regulatory	10.025	18-0299-040-SF	-	100,300
Phytophthora ramorum (SOD)	10.025	18-0295-015-SF	-	3,179
Pest Detection Trapping	10.025	18-0227	-	176,539
Subtotal CFDA 10.025			-	979,391
Passed through State Department of Public Health:				
Supplementl Nutrition Asst Program Ed (SNAP-ED)	10.561	16-10157	-	291,078
Supplementl Nutri Asst Program Ed (SNAP-ED)-PY Adj	10.561	16-10157	-	216
CalFresh&CalFresh Employment Training	10.561	N/A	-	5,569,097
CalFresh&CalFresh Employment Train.-Prior Yr Adj	10.561	N/A	-	9,702
Subtotal CFDA 10.561			-	5,870,093
Total U.S. Department of Agriculture			-	8,164,915
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				
Direct programs:				
Low Income Hsing Assist Comm Devel. Block Grnts				
Community Devel. Block Grants	14.218	B-14_UC-06-0508	-	14,027
Community Devel. Block Grants	14.218	B-10-UC-06-0508	-	36,052
Community Devel. Block Grants	14.218	B-12-UC-06-0508	-	11,500
Community Devel. Block Grants	14.218	B-15_UC-06-0508	-	268,026
Community Devel. Block Grants	14.218	B-16_UC-06-0508	-	438,610
Community Devel. Block Grants	14.218	B-17_UC-06-0508	-	188,819
Community Devel. Block Grants	14.218	B-18_UC-06-0508	-	1,371,087
Community Development Block Loans - 3rd Party	14.218	N/A	-	2,441,874
Subtotal CFDA 14.218			-	4,769,995
Emergency Solutions Grant Program	14.231	17-ESG-11844	154,131	154,131
Emergency Solutions Grant Program	14.231	16-ESG-11120	49,535	49,535
Emergency Solutions Grant Program	14.231	E-18-UC-06-0508	227,238	227,238
Emergency Solutions Grant Program	14.231	E-17-UC-06-0508	107,298	107,298
Subtotal CFDA 14.231			538,202	538,202
Home Partnership Investment Program	14.239	M-14-UC-05-0545	43,295	43,295
Home Partnership Investment Program	14.239	M-16-UC-05-0545	15,702	15,702
Home Partnership Investment Program	14.239	M-17-UC-05-0545	221,278	221,278
Home Partnership Investment Program	14.239	M-18-UC-05-0545	105,184	105,184
Home Partnership Investment Programs - 3rd Party	14.239	N/A	-	18,151,239
Subtotal CFDA 14.239			385,458	18,536,698
Continuum of Care Program	14.267	2016 Various	286,690	286,690
Continuum of Care Program	14.267	2017 Various	138,328	138,328
Continuum of Care (Homeless Grants)	14.267	N/A	632,523	632,523
Subtotal CFDA 14.267			1,057,541	1,057,541
Total U.S. Department of Housing & Urban Develop			1,981,201	24,902,436

**COUNTY OF SAN LUIS OBISPO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

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U.S. DEPARTMENT OF THE INTERIOR				
Passed through California Bureau of Land Management:				
Taylor Grazing Act	15.227	N/A	-	4,155
Total U.S. Department of Interior			-	4,155
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
Bureau of Immigration & Customs Enforcement	16.710	N/A	-	52,800
State Criminal Alien Assistance Program	16.606	N/A	-	146,893
Federal Asset Forfeiture	16.000	N/A	-	68,258
2018 Office of Justic Programs JMHP Project	16.745	2018-MO-BX-0019	-	17,209
DEA Domestic Cannabis Eradication &Suppression	16.111	2019-42	-	12,023
DEA Domestic Cannabis Eradication &Suppression	16.111	2018-41	-	26,159
DEA Domestic Cannabis Eradication &Suppression-PY	16.111	2018-41	-	10,018
Subtotal CFDA 16.111			-	48,200
Justice Assistance Grant	16.738	2017-H2496-CA-DJ	-	22,670
Justice Assistance Grant - PY	16.738	2017-H2496-CA-DJ	-	(22,670)
Subtotal CFDA 16.738			-	-
Passed through California Emergency Mgmt Agency:				
Victim Witness Assistance	16.575	VW18370400	-	440,368
County Victim Services (XC) Program	16.575	XC16010400	-	144,016
Unserved/Underserved Victim Advocacy and Outreach	16.575	XV15010400	-	157,581
Unserved/Underserved Victim Advocacy and Outreach	16.575	XV15A10400	-	152,001
Subtotal CFDA 16.575			-	893,966
Drug Court Discretionary Grant Program	16.585	2018-DC-BX-0013	-	32,576
Drug Court Discretionary Grant Program	16.585	2018-DC-BX-0026	-	52,326
Subtotal CFDA 16.585			-	84,902
Total U.S. Department of Justice			-	1,312,228
U.S. DEPARTMENT OF LABOR				
Passed through CA Employment Development Dept:				
Workforce Investment Act-Adult	17.258	K7102073 & K8106685	500,509	500,509
Workforce Investment Act-Youth	17.259	K7102073 & K8106685	450,371	450,371
Workforce Invest Act-Disloc Workr&Rapid Resp	17.278	K7102073 & K8106685	549,035	549,035
Workforce Invest Act-Disloc Workr&Rapid Resp PY	17.278	K7102073 & K8106685	(10,678)	(10,678)
Subtotal WIOA Cluster			1,489,237	1,489,237
Total U.S. Department of Labor			1,489,237	1,489,237
U.S. DEPARTMENT OF TRANSPORTATION				
Direct programs:				
Airport Improvement Program	20.106	3-06-0228-045-2015	-	2,188,281
Airport Improvement Program-PY	20.106	3-06-0228-045-2015	-	(25)
Airport Improvement Program	20.106	3-06-0228-043-2015	-	839,786
Airport Improvement Program	20.106	3-06-0172-009-2018	-	203,541
Airport Improvement Program	20.106	3-06-0028-047-2019	-	111,046
Subtotal CFDA 20.106			-	3,342,629
Small Community Air Service Development- Pr Yr	20.930	N/A	-	(1,928)
Passed through State Department of Transportation:				
Highway Planning and Construction	20.205	BP MPL-5949(151)	-	69,948
Highway Planning and Construction	20.205	BHLS-5949(136)	-	1,985,654
Highway Planning and Construction - PY Adj	20.205	BHLS-5949(136)	-	(101)
Highway Planning and Construction	20.205	HSIPL-5949(168)	-	90,520
Highway Planning and Construction	20.205	HSIPL-5949(167)	-	87,892
Highway Planning and Construction	20.205	HSIPL-5949(169)	-	32,454
Highway Planning and Construction	20.205	HSIPL-5949(170)	-	79,956
Highway Planning and Construction	20.205	CML-5949(171)	-	33,382
Highway Planning and Construction	20.205	HSIPL-5949(159)	-	112,983

**COUNTY OF SAN LUIS OBISPO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER/GRANT NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
Highway Planning and Construction	20.205	BRLS - 5949 (158)	-	7,708
Highway Planning and Construction	20.205	BRLO-5949(116)	-	84,013
Highway Planning and Construction - PY Adj	20.205	BRLO-5949(116)	-	(74,141)
Highway Planning and Construction	20.205	BRLO-5949(120)	-	202,514
Highway Planning and Construction	20.205	BRLO-5949(127)	-	71,103
Highway Planning and Construction - PY Adj	20.205	BRLO-5949(127)	-	(62,334)
Highway Planning and Construction	20.205	BRLO-5949(152)	-	148,588
Highway Planning and Construction	20.205	BRLO-5949(156)	-	131,977
Highway Planning and Construction	20.205	BRLO-5949(157)	-	112,278
Highway Planning and Construction	20.205	BRLS-5949(129)	-	2,478,967
Highway Planning and Construction	20.205	BRLS-5949(131)	-	171,821
Highway Planning and Construction	20.205	BRLS-5949(135)	-	101,195
Safe Acctble,Flex,Effic Transp Eq Act(SAFETEA-LU)	20.205	HPLU-5949 (132)	-	235,852
Federal Transportation Improvement Program	20.205	RPSTPLE-5949 (140)	-	40,705
Highway Planning and Construction	20.205	BRLS-5949(137)	-	75,048
Highway Planning and Construction	20.205	CMFERPL16-5949(161)	-	194,833
Highway Planning and Construction	20.205	BHLO-5949(164)	-	114,861
Highway Planning and Construction	20.205	RPLCML-5949(074)	-	3,600
Highway Planning and Construction	20.205	BPMPPL-5949(162)	-	10,067
Highway Planning and Construction	20.205	ER-32LO(110)	-	13,281
Subtotal Pass-Through 20.205			-	6,554,624
Office Of Traffic Safety	20.600	PS19029	-	111,668
Office Of Traffic Safety	20.600	AL1728	-	53,649
Office Of Traffic Safety	20.600	PS18028	-	28,944
Office Of Traffic Safety - PrYrAdj	20.600	PS18028	-	(31)
Office Of Traffic Safety	20.616	OP19015	-	44,718
Office Of Traffic Safety	20.616	OP18016	-	9,421
Office Of Traffic Safety - PrYrAdj	20.616	OP18016	-	(54)
Subtotal CFDA 20.616			-	248,315
Total U.S. Department of Transportation			-	10,143,640
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Direct programs:				
Library Svices & Technology Act	45.310	40-8913	-	3,149
Total Institute of Museum and Library Services			-	3,149
U.S. DEPARTMENT OF EDUCATION				
Passed through State Department of Education				
State Vocational Rehabilitation Services	84.126A	N/A	-	4,908
State Vocational Rehabilitation Services -PY	84.126A	N/A	-	3,506
Subtotal CFDA 84.126			-	8,414
Total U.S. Department of Education			-	8,414
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES				
Direct programs:				
Drug Free Community 101 Friday Night Live - PY	93.276	5H79SP020904-08	-	252
Drug Free Community 101 Friday Night Live	93.276	5H79SP020904-08	-	124,118
Subtotal CFDA 93.276			-	124,370
SLO Health Integration Partnership (SAMHSA)	93.243	1H79SM062377-01	-	299,098
SAMHSA CATS learning	93.243	6H79SM080609-01M002	-	138,612
MAT Learning Collaborative	93.243	N/A	-	25,000
Behavioral Health Treatment Court Collaborative	93.243	5H79SM061698-02	-	87,036
Subtotal CFDA 93.243			-	549,746
Passed through State Dept of Alcohol&Drug Progrms:				
Substnce Abuse Prev&Trtmt Block Grnt-Discret Funds	93.959	14-90098	-	1,098,727
Substnce Abuse Prev&Trtmt Block -Discret Funds PY	93.959	14-90098	-	43,247
Substnce Abue Prev&Trtmt Bck-Friday Night/Club	93.959	14-90098	-	30,000
Substnce Abuse Prev&Trtmt Bck Grnt-PrevSet-aside	93.959	14-90098	-	313,072
Substance Abuse Prev&Trtmt Bck Grnt-Adl&Youth	93.959	14-90098	-	177,123
Substnce Abse Prev&Trtmt Bck-Perinatal	93.959	14-90098	-	72,569
Subtotal CFDA 93.959			-	1,734,738

**COUNTY OF SAN LUIS OBISPO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER/GRANT NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
Passed through State Dept of Child Support Svcs:				
Child Support Enforcement:				
Federal aid for Child Support EDP	93.563	N/A	-	55,676
Child Support Admin & EDP	93.563	N/A	-	2,570,031
Subtotal CFDA 93.563			-	2,625,707
Passed Through CA Family Health Council:				
Title X 2019	93.217	N/A	-	131,379
Title X 2018	93.217	N/A	-	7,066
Title X 2018 - PY	93.217	N/A	-	23
Subtotal CFDA 93.217			-	138,468
Health Resources Services Administration HPP	93.074	17-10191	-	173,577
Health Resources Services Admin-Prior year adj	93.074	17-10191	-	17
CDC-BASE PH EMERGENCY PREPAREDNESS (PHEP)	93.074	17-10191	-	230,381
CDC-BASE PH EMERGENCY PREPAREDNESS (PHEP) - PY	93.074	17-10191	-	(767)
CDC Base PH Emergency Preparedness	93.074	17-10191	-	318,017
CDC Base PH Emergency Preparedness-Prior Year Adj	93.074	17-10191	-	(12)
Subtotal CFDA 93.074			-	721,213
TB Control branch/Real Time Allotment	93.116	1840R-TA01	-	21,804
Maternal Child Health - Title V	93.994	201840	-	122,057
Maternal Child Health - Title V - PY	93.994	201840	-	28
Subtotal CFDA 93.994			-	122,085
Passed through State Department of Health Care Services:				
Medi-Cal Renewal Assistance Grant - PY	93.778	N/A	-	(1)
Local Dental Pilot Project (LDPP)	93.778	16-93575	-	508,336
Local Dental Pilot Project (LDPP) - PY	93.778	16-93575	-	(2,088)
Medi-Cal Admin (MAA)	93.778	14-90041	-	379,399
Medi-Cal Administration - Prior Year Adjustment	93.778	14-90041	-	38,129
First Five Medi-Cal	93.778	14-90041	-	77,539
School Based Medi-Cal Administration	93.778	17-94052	-	934,307
Maternal Child Health - Title XIX	93.778	201840	-	296,522
Maternal Child Health - Title XIX Prior Year Adj	93.778	201840	-	1,586
Medi-Cal Admin - Targeted Case Management	93.778	40-1318A	-	336,951
CA CHILDRENS SERVICES (CCS) Title XIX	93.778	18-05	-	282,753
CA CHILDRENS SERVICES (CCS) Title XIX - PY	93.778	18-05	-	(390)
Health Care for Fostercare (Caseload Relief)	93.778	18-03	-	57,737
Foster Care (HCPCFC)	93.778	18-03	-	123,327
Foster Care (HCPCFC) PY	93.778	18-03	-	21,441
Foster Care (PMMO)	93.778	18-03	-	31,687
Foster Care (PMMO) - PY	93.778	18-03	-	(80)
Lead Program	93.778	17-10261	-	15,567
Child Hlth & Disability Prevention	93.778	18-02	-	154,651
IHSS, Public Authority & Medi-Cal-PY	93.778	N/A	-	(30,266)
IHSS, Public Authority & Medi-Cal	93.778	N/A	-	8,272,993
Medi-Cal Administration	93.778	N/A	-	73,922
Medi-Cal Administration - Prior Year Adjustment	93.778	N/A	-	5,056
Subtotal Medicaid Cluster			-	11,579,078
Targeted Case Management (TCM)	93.779	N/A	-	85,000
Targeted Case Management (TCM) - PY	93.779	N/A	-	(71,136)
Subtotal CFDA 93.779			-	13,864
Mental Health-Substance Abuse (SAMHSA)	93.958	N/A	-	385,188
Mental Health Services Block Grant (MHBG)	93.958	N/A	-	199,740
Subtotal CFDA 93.958			-	584,928
Passed through State Dept of Social Services:				
KinGap -Kingship Guardian Assistance Program	93.090	N/A	-	421,858
Promoting Safe and Stable Families	93.556	N/A	-	144,298
Refugee Cash Assistance	93.566	N/A	-	1,775

**COUNTY OF SAN LUIS OBISPO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER/GRANT NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
Temporary Assistance for Needy Families:				
Assistance : CALWORKS	93.558	N/A	-	1,503,177
Administration: CalWORKS, SAWS-CalWIN, TANF	93.558	N/A	-	12,398,002
CALWORKS HOME VISITING INITIATIVE (HVI)	93.558	16-10604	-	10,917
Administration: CalWORKS,SAWS-CalWIN,TANF-PrYrAdj	93.558	N/A	-	(429,753)
Subtotal CFDA 93.558			<u>-</u>	<u>13,482,344</u>
Adoptions Incentive	93.603	N/A	-	128,760
Adoptions Incentive - PY	93.603	N/A	-	149
Subtotal CFDA 93.603			<u>-</u>	<u>128,909</u>
Foster Care - Title IV-E:				
Administration: Probation-Title IV E	93.658	N/A	-	83,538
Administration: Probation-Title IV E - PY	93.658	N/A	-	11,024
Foster Care Assistance	93.658		-	2,364,378
Child Welfare Services - Title IV E - PY	93.658	N/A	-	(12,788)
Child Welfare Services - Title IV E	93.658	N/A	-	4,449,424
Subtotal CFDA 93.658			<u>-</u>	<u>6,895,576</u>
Child Welfare Services Title IV-B	93.645	N/A	-	178,429
Child Welfare Services Title IV-B - PrYrAdj	93.645	N/A	-	64
Subtotal CFDA 93.645			<u>-</u>	<u>178,493</u>
Adoption Assistance - Prior Year	93.659	N/A	-	1,049
Adoption Assistance	93.659	N/A	-	693,038
Assistance: Adoption	93.659	N/A	-	4,441,333
Subtotal CFDA 93.659			<u>-</u>	<u>5,135,420</u>
Child Welfare Service - Title XX	93.667	N/A	-	351,408
Foster Care Assitance - Title XX	93.667	N/A	-	213,244
Child Welfare Service - Title XX - PY	93.667	N/A	-	263,556
Subtotal CFDA 93.667			<u>-</u>	<u>828,208</u>
Independent Living Program	93.674	N/A	-	101,104
Independent Living Program-Prior Year Adjustment	93.674	N/A	-	1,814
Subtotal CFDA 93.674			<u>-</u>	<u>102,918</u>
CA Childrens Services and TLIP Title XXI	93.767	18-05	-	104,417
Passed through State Department of Health Care Services:				
Immunization Local Assistance Grant	93.268	17-10346	-	107,283
Passed through State Department of Mental Health:				
Mntl Hlth-McKinney Assist in Transittn from Hmeless	93.150	N/A	-	29,638
Total U.S Department of Health & Human Services			<u>-</u>	<u>45,777,138</u>
DEPARTMENT OF HOMELAND SECURITY				
Direct Programs:				
Disaster Grants - Public Assistance	97.036	FEMA-4308-DR-CA	-	20,776
Public Assistance - Disaster Grants - Prior Year	97.039	FEMA-1952-DR-CA	-	10,921
SLO County Hazard Mitigation Planning & Mapping	97.039	5GA18235	-	1,445
Subtotal CFDA 97.039			<u>-</u>	<u>12,366</u>
Passed through CA Emergency Management Agency:				
Hazard Mitigation Grant Program 2018	97.042	DR4308-PL0001	-	58,959
State Homeland Security Grant 2017	97.042	2018-0008	-	3,314
Emergency Management Performance 2017	97.042	2018-0008	-	165,933
Subtotal CFDA 97.042			<u>-</u>	<u>228,206</u>

**COUNTY OF SAN LUIS OBISPO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER/GRANT NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
2016 Stonegarden Grant	97.067	Stonegarden Grant 2016-0102	-	9,549
2017 Stonegarden Grant	97.067	Stonegarden Grant 2017-0083	-	127,231
2017 Homeland Security	97.067	2017-0083	-	74,605
Homeland Security - PY	97.067	2017-0083	-	5,994
Homeland Security	97.067	2018-0054	-	2,371
Homeland Security - PY	97.067	2016-0102	-	(203)
Homeland Security	97.067	2016-0102	-	1,357
Homeland Security	97.067	2017-0083	-	1,786
Homeland Security	97.067	2018-0054	-	48,471
Homeland Security - PY	97.067	2017-0083	-	(1)
2015 Homeland Security- PY	97.067	2015-0049	-	54,589
State Homeland Security Grant 2016	97.067	079-00000 2016-002	-	39,293
State Homeland Security Grant 2017	97.067	079-00000 2016-002	-	61,279
State Homeland Security Grant 2015 - PY	97.067	079-00000 2015-0078	-	(828)
Subtotal CFDA 97.067			-	425,493
Total Department of Homeland Security			-	686,841
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 3,470,438	\$ 92,492,152

**COUNTY OF SAN LUIS OBISPO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

NOTE 1: REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the County of San Luis Obispo (County). The County'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 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, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

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 1 of the County's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: CATALOG OF FEDERAL DOMESTIC (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2019 *Catalog of Federal Domestic Assistance*.

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.

NOTE 6: LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

Outstanding federally-funded program loans, with continuing compliance requirements, carried balances as of June 30, 2019 as follows:

Federal CFDA #	Program	SEFA June 30, 2019	FY 18-19 Activity	County Balance June 30, 2019
14.218	Community Development Block Grants/Entitlement Grants	\$ 2,441,874	\$ (35,000)	\$ 2,406,874
14.239	HOME Investment Partnerships Program	18,151,239	(29,850)	18,121,389

**COUNTY OF SAN LUIS OBISPO
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

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? yes x no
 - Significant deficiency(ies) identified? yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes x no

Identification of Major Federal Programs

CFDA Number(s)

10.561
14.218
20.106
93.558

Name of Federal Program or Cluster

State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)
Community Development Block Grants
Airport Improvement Program
Temporary Assistance for Need Families

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

\$ 2,774,765

Auditee qualified as low-risk auditee?

 x yes no

COUNTY OF SAN LUIS OBISPO
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings

2019 – 001

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The County recorded a prior period adjustment of \$1.6 million to reflect a wastewater transmission facility that was contributed during the prior year.

Criteria or specific requirement: Donated capital assets should be recorded at the acquisition value at the time of transfer.

Context: The amount of the adjustment was material to the Los Osos Wastewater fund, a major fund of the County.

Effect: The omission of the donated capital assets resulted in the Fund's capital assets and net position to be understated by \$1.6 million.

Cause: The omission of the contributed capital resulted in net position being understated by \$1.6 million resulting in a prior period adjustment to the current year financial statements.

Repeat Finding: Not a repeat finding.

Recommendation: We recommend management, during the year-end closing procedures, provide guidance in reporting contributed assets during the fiscal year. We further recommend management to provide training to the departments in recognizing and reporting capital asset additions during the fiscal year.

Views of responsible officials and planned corrective actions: During year-end closing procedures management will provide guidance in reporting contributed assets. Management will provide guidance to departments in how to recognize and report contributed capital assets.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**SUPPLEMENTARY SCHEDULES
OF
THE CALIFORNIA GOVERNOR'S
OFFICE OF EMERGENCY SERVICES**

**COUNTY OF SAN LUIS OBISPO
SUPPLEMENTARY SCHEDULES OF THE
CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES
AND THE BOARD OF STATE AND COMMUNITY CORRECTIONS GRANT EXPENDITURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2018	For the Year Ended June 30, 2019	Cumulative As of June 30, 2019	Federal Share	State Share	County Share
CVWD-XV;XV15A10400						
Personal services	\$ 185,044	\$ 165,640	\$ 350,684	\$ 128,260		\$ 37,380
Operating expenses	48,394	23,740	72,134	23,740		
Totals	<u>\$ 233,438</u>	<u>\$ 189,381</u>	<u>\$ 422,818</u>	<u>\$ 152,001</u>	<u>\$ --</u>	<u>\$ 37,380</u>
ELDER-XV;XV15010400						
Personal services	\$ 196,920	\$ 205,190	\$ 402,110	\$ 157,581	\$ --	\$ 47,609
Operating expenses	36,420	4,682	41,102	--	--	4,682
Totals	<u>\$ 233,340</u>	<u>\$ 209,872</u>	<u>\$ 443,212</u>	<u>\$ 157,581</u>	<u>\$ --</u>	<u>\$ 52,291</u>
VICTIM,VW18370400						
Personal services	\$ 364,752	\$ 416,589	\$ 781,341	\$ 346,826	\$ 34,270	\$ 35,493
Operating expenses	41,845	87,207	129,052	62,538	13,746	10,923
Totals	<u>\$ 406,597</u>	<u>\$ 503,796</u>	<u>\$ 910,392</u>	<u>\$ 409,363</u>	<u>\$ 48,016</u>	<u>\$ 46,416</u>
XC, XC16010400						
Personal services	\$ 36,424	\$ 47,826	\$ 84,250	\$ 18,744	\$ --	\$ 29,081
Operating expenses	271,810	122,511	394,322	122,105	--	406
Totals	<u>\$ 308,235</u>	<u>\$ 170,337</u>	<u>\$ 478,572</u>	<u>\$ 140,850</u>	<u>\$ --</u>	<u>\$ 29,487</u>
2016 Stonegardent Grant 2016-0102						
Personal services	\$ 164,251	\$ 4,570	\$ 168,821	\$ --	\$ --	\$ --
Operating expenses	6,200	5,084	11,284	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 170,451</u>	<u>\$ 9,654</u>	<u>\$ 180,105</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
2017 Stonegardent Grant 2017-0083						
Personal services	\$ 13,035	\$ 102,753	\$ 115,788	\$ --	\$ --	\$ --
Operating expenses	1,142	8,401	9,543	--	--	--
Equipment	--	16,077	16,077	--	--	--
Totals	<u>\$ 14,177</u>	<u>\$ 127,231</u>	<u>\$ 141,408</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

AVIATION PASSENGER FACILITY CHARGE PROGRAM



INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF PASSENGER FACILITY CHARGES

Board of Supervisors
County of San Luis Obispo
San Luis Obispo, California

Report on the Schedule

We have audited the accompanying Schedule of Passenger Facility Charges (PFC), Revenues, and Expenses (Schedule) of the County of San Luis Obispo (County), for the year ended June 30, 2019, and the related notes.

Management's Responsibility

Management is responsible for the preparation and fair presentation of this schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit 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 requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (Guide) issued by the Federal Aviation Administration. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on Schedule of Passenger Facility Charges

In our opinion, the Schedule referred to above presents fairly, in all material respects, the passenger facility charges received, held, and used by the County for the period and each quarter during the period from July 1, 2018 to June 30, 2019, as defined by the Federal Aviation Administration of the U.S. Department of Transportation.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 17, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**

Roseville, California
January 17, 2020



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE PASSENGER FACILITY CHARGES PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE**

Board of Supervisors
County of San Luis Obispo
San Luis Obispo, California

Report on Compliance for Passenger Facility Charges

We have audited the compliance of the County of San Luis Obispo (County) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (Guide), issued by the Federal Aviation Administration, for its Passenger Facility Charge program for the period from July 1, 2018 to June 30, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of laws and regulations applicable to its passenger facility charge program.

Auditors' Responsibility

Our responsibility is to express an opinion on the County's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

Opinion on Compliance

In our opinion, the County of San Luis Obispo complied, in all material respects, with the compliance requirements referred to above that are applicable to its passenger facility charge program for the year ended June 30, 2019.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the Passenger Facility Charge program referred to above. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on the Passenger Facility Charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 County's internal control over compliance.

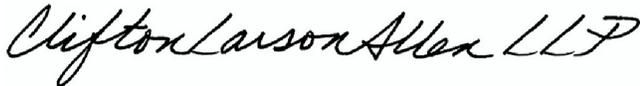
Internal Control Over Compliance (Continued)

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 the passenger facility charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of the passenger facility charge 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 the passenger facility charge 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 that might be deficiencies, significant deficiencies or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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 Guide. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



CliftonLarsonAllen LLP

Roseville, California
January 17, 2020



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF PASSENGER FACILITY CHARGES, REVENUES, EXPENSES AND FUND BALANCE PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Supervisors
County of San Luis Obispo
San Luis Obispo, 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 Schedule of Passenger Facility Charges, Revenues, Expenses and Fund Balance (Schedule) of the County of San Luis Obispo (County), as of and for the year ended June 30, 2019, and the related notes to the financial Schedule, which collectively comprise the Passenger Facility Charges, financial schedules, and have issued our report thereon dated January 17, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial schedule, 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 schedule, 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 schedule will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Schedule is 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 Schedule 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".**CliftonLarsonAllen LLP**

Roseville, California
January 17, 2020

**COUNTY OF SAN LUIS OBISPO
SCHEDULE OF PASSENGER FACILITY CHARGE
REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

Approved Federal Application Number/ Project Description	Approved Project Allocation	Current Year			Project to Date			Unliquidated Balance PFC Trust
		Receipts or Revenues Recognized	Interest Earned	Expenditures	Receipts or Revenues Recognized	Interest Earned	Expenditures	
2007-08-C								
Revenues	-	-	-	-	1,692,375	16,115	-	1,708,490
Expenditures:	-	-	-	-	-	-	-	-
Approved Application #8: \$2,028,190	2,028,190	-	-	-	-	-	1,328,771	(1,328,771)
Total 8: 2007-08-C	2,028,190	-	-	-	1,692,375	16,115	1,328,771	379,719
2018-09-C								
Revenues	-	979,089	17,822	-	979,089	17,822	-	996,911
Expenditures:	-	-	-	-	-	-	-	-
Approved Application #9: \$4,081,071 Terminal development and construction and debt service and financing	4,081,071	-	-	-	-	-	-	-
Total 9: 2018-09-C	4,081,071	979,089	17,822	-	979,089	17,822	-	996,911
	\$ 12,930,091	\$ 979,089	\$ 17,822	\$ -	\$ 9,042,303	\$ 483,928	\$ 8,149,601	\$ 1,376,630

**COUNTY OF SAN LUIS OBISPO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AIRPORT PASSENGER FACILITY CHARGE PROGRAM
FOR THE YEAR ENDED JUNE 30, 2019**

Current Year:

There were no findings in the year ending June 30, 2019 that require reporting in accordance with *Government Auditing Standards* related to the Airport Passenger Facility Charge Program.

Prior Year:

No findings noted in the prior year.