COUNTY OF MERCED

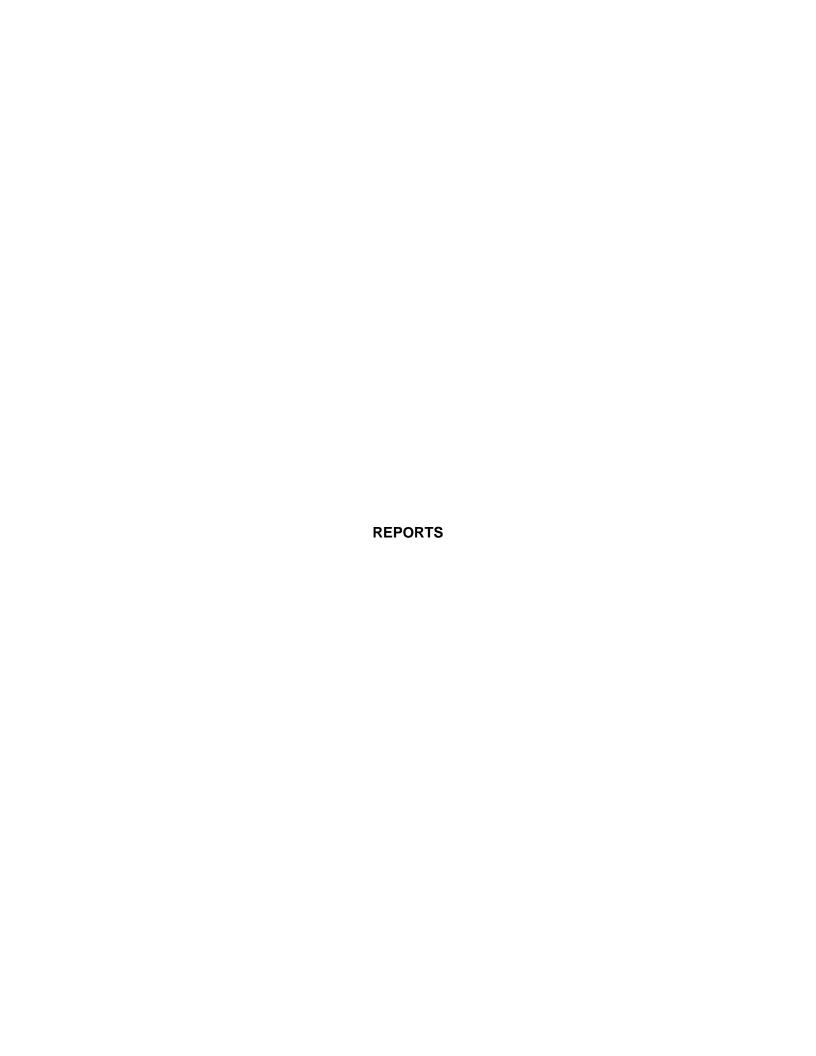
SINGLE AUDIT REPORTS (OMB CIRCULAR A-133)

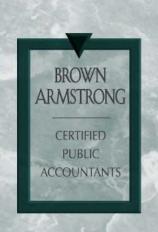
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

COUNTY OF MERCED SINGLE AUDIT REPORTS (OMB CIRCULAR A-133) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Board of Supervisors of the County of Merced

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, each major fund, and the aggregate remaining fund information of the County of Merced, California (the County), as of and for the year ended June 30, 2015, 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 7, 2016.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

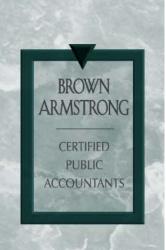
Purpose of this Report

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong Secountaincy Corporation

Bakersfield, California March 7, 2016



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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Board of Supervisors of the County of Merced

Report on Compliance for Each Major Federal Program

We have audited the County of Merced's (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *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, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

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 on the previous page. 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 OMB Circular A-133, 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.

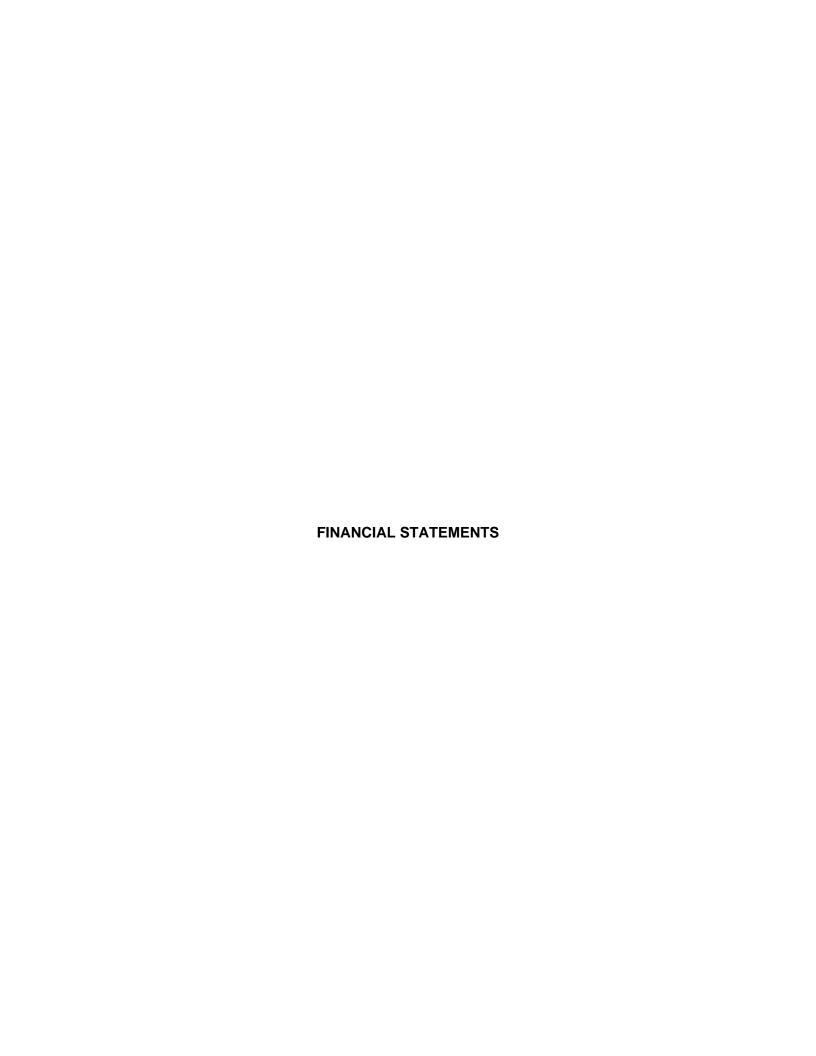
Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 7, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG

Bakersfield, California March 7, 2016



FEDERAL GRANTOR Pass-through Grantor Program Title	Federal C.F.D.A. Number	Contract or Program Number	Total Federal Expenditures	
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through California Department of Food and Agriculture				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	13-0460-SF/2010115	\$ 44,415	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	13-0078/2004201	18,772	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	14-0188/2004201	27,206	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	12-0090-SF/2000138	56,814	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	14-0157-SF/2000138	52,863	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	14-0412-SF/2006217	16	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	13-0521-SF/2010106	48,144	
Subtotal			248,230	
Meat, Poultry, and Egg Products Inspection	10.477	13-0272-SF/2009259	660	
Meat, Poultry, and Egg Products Inspection	10.477	14-0440-SF/2009259	278	
Subtotal			938	
Senior Farmers Market Nutrition Program	10.576	A3-1314-31/A9-1314-31	10,000	
Light Brown Apple Moth	10.604	13-0428-SF/2008013	10,913	
Passed Through California Department of Education				
School Breakfast Program	10.553	01936-SN-24-R	36,718	
National School Lunch Program	10.555	01936-SN-24-R	57,626	
Subtotal - Child Nutrition Cluster			94,344	
Passed Through California Department of Public Health				
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	13-20526 (HE 1321/1440)	389,844	
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	13-20526 (HE 1321/1440)	223,705	
•	10.501	10 20020 (TIE 1021/1440)	220,700	
Passed Through California Department of Social Services	40.504	Managed (Causette 04)	0.000.000	
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	Merced (County 24)	6,990,983	
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	Merced (County 24)	88,658	
Subtotal			7,693,190	
Total U.S. Department of Agriculture			8,057,615	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs Supportive Housing Program	14.235	CA 0780B9T201103	121,893	
Supportive Housing Program	14.235	CA 0780B91201103 CA 0984B9T201000	131,579	
Supportive Housing Flogram	14.233	CA 0964B91201000	131,379	
Subtotal			253,472	
Passed Through California Department of Housing and Community Development				
HOME Investment Partnerships Program	14.239	13-HOME-9012	73,824	
Total U.S. Department of Housing and Urban Development			327,296	
			(Continued)	

FEDERAL GRANTOR Pass-through Grantor Program Title	Federal C.F.D.A. Number	Contract or Program Number	Total Federal Expenditures
U.S. DEPARTMENT OF JUSTICE			
Direct Programs	40.004		
Drug Enforcement Agency (DEA) Cannabis Eradication	16.XXX	LOA 2014-30	100,000
State Criminal Alien Assistance Program	16.606	2014-AP-BX-0450	44,341
Public Safety Partnership and Community Policing Grants	16.710	2010-UM-WX-0033	141,446
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-1143	22,320
Passed Through California Board of State and Community Corrections Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 602-13	20,853
Subtotal			43,173
Passed Through the County of Sacramento			
High Intensity Drug Traffic Area Grant	16.XXX	I8PCV502Z	38,426
Passed Through California Emergency Management Agency			
Crime Victim Assistance	16.575	VW14320240	109,732
Crime Victim Assistance	16.575	UV13040240	30,472
Crime Victim Assistance Subtotal	16.575	UV14050240	97,721 237,925
Total U.S. Department of Justice			605,311
·			000,311
U.S. DEPARTMENT OF LABOR Passed Through California Employment Development Department (EDD)			
Employment Service/Wagner-Payser Funded Activities	17.207	K597235	58,928
Employment Service/Wagner-Payser Funded Activities	17.207	11770	5,641
Subtotal			64,569
Passed Through California EDD			
Workforce Investment Act (WIA) Adult Program	17.258	K282484	3,170
WIA Adult Program WIA Adult Program	17.258 17.258	K491027 K594770	340,544 958,258
Subtotal	17.200	1001110	1,301,972
Passed Through California EDD			.,,,,,,,
WIA Youth Program	17.259	K491027	558,944
WIA Youth Program	17.259	K594770	596,791
Subtotal			1,155,735
Passed through California EDD			
Workforce Investment Act (WIA) National Emergency Grants	17.277	2015010	28,175
Passed Through California EDD			
WIA Dislocated Worker Formula Grants	17.278	K386306	350,000
WIA Dislocated Worker Formula Grants	17.278	K491027	274,295
WIA Dislocated Worker Formula Grants WIA Dislocated Worker Formula Grants	17.278 17.278	K491027 K491027	133,202 234,129
WIA Dislocated Worker Formula Grants WIA Dislocated Worker Formula Grants	17.278	K491027 K491027	106,692
WIA Dislocated Worker Formula Grants	17.278	K594770	1,134,869
WIA Dislocated Worker Formula Grants	17.278	K594770	162,501
WIA Dislocated Worker Formula Grants	17.278	K594770	40,530
WIA Dislocated Worker Formula Grants	17.278	2015135	3,818
Subtotal WIA Chiefer			2,440,036
Subtotal - WIA Cluster			4,925,918
Total U.S. Department of Labor			4,990,487
			(Continued)

FEDERAL GRANTOR	Federal	Contract	Total
Pass-through Grantor	C.F.D.A.	or Program	Federal
Program Title	Number	Number	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Programs			
Airport Improvement Program	20.106	3-06-0364-14	272.034
Airport Improvement Program	20.106	3-06-0364-15	74,926
Airport Improvement Program	20.106	3-06-0364-016-2013	701,091
Airport Improvement Program	20.106	3-06-0364-017-2014	94,920
Airport Improvement Program	20.106	3-06-0364-13	9,500
Subtotal			1,152,471
Passed Through California Department of Transportation			
Highway Planning and Construction	20.205	HPLU-0484 (003)	222,613
Highway Planning and Construction	20.205	HPLU-0484 (004)	36,839
Highway Planning and Construction	20.205	CML-5939 (093)	148,882
Highway Planning and Construction	20.205	CML-5939 (094)	427,556
Highway Planning and Construction	20.205	HSIPL-5939 (096)	78,221
Highway Planning and Construction	20.205	ATPL-5939 (104)	4,324
Highway Planning and Construction	20.205	CML-5939 (098)	19,118
Highway Planning and Construction	20.205	BRLO-5939 (081)	176,174
Highway Planning and Construction	20.205	CML-5939 (097)	22,042
Highway Planning and Construction	20.205	CML-5939 (090)	20,474
Highway Planning and Construction	20.205	BRLS-5939 (102)	27,150
Highway Planning and Construction	20.205	BRLO-5939 (091)	115,374
Highway Planning and Construction	20.205	BRLO-5939 (083)	12,708
Highway Planning and Construction	20.205	HSIPL-5939 (089)	38,433
Highway Planning and Construction	20.205	BRLS-5939 (070)	74,778
Highway Planning and Construction	20.205	BRLO-5939 (092)	243,794
Highway Planning and Construction	20.205	BRLO-5939 (082)	12,365
Highway Planning and Construction	20.205	BRLS-5939 (078)	78,767
Highway Planning and Construction	20.205	BRLO-5939 (100)	25,915
Highway Planning and Construction	20.205	BRLO-5939 (077)	103,197
Highway Planning and Construction	20.205	BRLO-5939 (084)	68,589
Highway Planning and Construction	20.205	BRLO-5939 (101)	21,756
Highway Planning and Construction	20.205	BRLO-5939(103)	14,082
Highway Planning and Construction	20.205	BRLO-5939 (106)	101
Subtotal			1,993,252
Total U.S. Department of Transportation			3,145,723
U.S. DEPARTMENT OF EDUCATION			
Passed Through California Department of Rehabilitation			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	28375	52,433
Total U.S. Department of Education			52,433
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Passed Through California Department of Aging			
Title VII, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	A3-1314-31/A9-1314-31	3,105
Title VII, Long-Term Care Ombudsman Services for Older Individuals	93.042	A3-1314-31/A9-1314-31	23,788
Title III, Part D, Disease Prevention and Health Promotion Services	93.043	A3-1314-31/A9-1314-31	11,051
			(Continued)

FEDERAL GRANTOR Pass-through Grantor	Federal C.F.D.A.	Contract or Program	Total Federal
Program Title	Number	Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
Passed Through California Department of Aging (Continued)			
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	A3-1314-31/A9-1314-31	232,661
Title III. Part C - Nutrition Services	93.045	A3-1314-31/A9-1314-31	404,880
Nutrition Services Incentive Program	93.053	A3-1314-31/A9-1314-31	52,816
· ·			
Subtotal - Aging Cluster			690,357
National Family Caregiver Support - Title III, Part E	93.052	A3-1314-31/A9-1314-31	96,846
Passed through California Department of Public Health			
Hospital Preparedness Program and Public Health Emergency Preparedness	93.074	14-10519 (HE 1386)	180,360
Hospital Preparedness Program and Public Health Emergency Preparedness	93.074	14-10519 (HE 1386)	252,371
Hospital Preparedness Program and Public Health Emergency Preparedness	93.074	14-10627 (HE1436)	9,400
		, ,	·
Subtotal			442,131
Direct programs	00.004	0045044 (UE 4400)	004.574
Partnership to Improve Community Health	93.331	2015014 (HE 1438)	264,574
Passed through california Separtment of Secretary of States			
Voting Access for Individuals With Disabilities Grants to States	93.617	13G26115	30,000
Passed through California Department of Public Health			
State and Local Public Health Actions to Prevent Obesity, Diabetes, and Heart Disease	93.757	2015015 (HE 1474)	1,582
State and Local Public Health Actions to Prevent Obesity, Diabetes, and Healt Disease	93.737	2015015 (HE 1474)	1,362
Passed Through California Department of Social Services			
Medical Assistance Program	93.778	Merced (County 24)	90,672
Medical Assistance Program	93.778	Merced (County 24)	349,413
Medical Assistance Program	93.778	Merced (County 24)	1,172,893
Medical Assistance Program	93.778	Merced (County 24)	1,500,528
Medical Assistance Program	93.778	Merced (County 24)	17,618,544
Medical Assistance Program	93.778	Merced (County 24)	547,101
Passed Through California Department of Aging			
Medical Assistance Program	93.778	MS-1314-28	723,907
modical / location i rogitalii	000		. 20,00.
Passed Through California Department of Alcohol and Drug Programs			
Medical Assistance Program	93.778	10-NNA24	932,897
Medical Assistance Program	93.778	10-NNA24	101,734
Passed Through California Department of Health Care Services			
Medical Assistance Program	93.778	2007030 (HE 1435)	906,923
Medical Assistance Program	93.778	HE 1435	276,373
Medical Assistance Program	93.778	08-85124	47,540
Medical Assistance Program	93.778	HE 1435	156,575
modical resistance in ogram	000		.00,0.0
Passed Through California Department of Mental Health			
Medical Assistance Program	93.778	Merced (County 24)	1,282,617
Passed Through California Department of Public Health			
Medical Assistance Program	93.778	2007203 (HE 1452)	388,653
Subtotal			26,096,370
Passed Through California Department of Aging			
Centers For Medicare and Medicaid Services	93.779	H9-1314-31/A9-1314-31	81,430
Passed Through California Department of Alcohol and Drug Programs			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	10-NNA24	1,319,444
Block Grants for Prevention and Treatment of Substance Abuse	93.959	10-NNA24	767,547
Subtotal			2,086,991
			2,000,001
Passed Through California Department of Child Support Services			
Child Support Enforcement	93.563	Merced (County 24)	5,511,052
			(Continued)
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FEDERAL GRANTOR Pass-through Grantor	Federal C.F.D.A.	Contract or Program	Total Federal
Program Title	Number	Number	Expenditures
ILS DEDARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued) Passed Through California Department of Health Care Services			
Children's Health Insurance Program	93.767	2007030 (HE 1435)	128,622
Passed Through California Department of Mental Health			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	Merced (County 24)	94,546
Block Grants For Community Mental Health Services	93.958	Merced (County 24)	774,929
Block Grants For Community Wentar Health Gervices	93.930	Werced (County 24)	114,323
Passed Through California Department of Public Health			
Project Grants and Cooperative Agreements for Tuberculosis	93.116	No Contract (HE 1416)	28,359
Instruction Comments Assessments	00.000	40,00000 (UE 4077)	00.740
Immunization Cooperative Agreements	93.268	13-20302 (HE 1377)	88,716
Pregnancy Assistance Fund Program	93.500	2007203 (HE 1452)	25,000
Affordable Care Act - Maternal, Infant, and Early Childhood Home Visiting Program	93.505	2012118 (HE 1450)	674,404
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977	11-10045 (HE 1121/1271)	100
Maternal and Child Health Services Block Grant to the States	93.994	2007203 (HE 1452)	196,639
Maternal and Crind Health Services Block Chant to the Clates	33.334	2007203 (TE 1432)	190,009
HIV Care Formula Grants	93.917	13-20059 (HE 1329/1354)	93,186
HIV Care Formula Grants	93.917	12-10568 (HE1301/1399)	2,959
Subtotal			96,145
Passed Through California Department of Social Services			
Guardianship Assistance	93.090	Merced (County 24)	7,353
Guardianship Assistance	93.090	Merced (County 24)	260,570
Subtotal			267,923
Promoting Safe and Stable Families	93.556	Merced (County 24)	244,818
Promoting Safe and Stable Families	93.556	Merced (County 24)	12,128
Subtotal			256,946
Temporary Assistance for Needy Families	93.558	Merced (County 24)	38,373
Temporary Assistance for Needy Families	93.558	Merced (County 24)	321,643
Temporary Assistance for Needy Families	93.558	Merced (County 24)	1,114,882
Temporary Assistance for Needy Families	93.558	Merced (County 24) Merced (County 24)	2,381,485
Temporary Assistance for Needy Families	93.558	Merced (County 24)	8,532,236
Temporary Assistance for Needy Families	93.558	, ,	10,299,458
Temporary Assistance for Needy Families	93.558	Merced (County 24)	388,813
Temporary Assistance for Needy Families	93.558	Merced (County 24)	143,997
Temporary Assistance for Needy Families	93.558	Merced (County 24)	476,284
Temporary Assistance for Needy Families	93.558	Merced (County 24)	102,122
Temporary Assistance for Needy Families	93.558	Merced (County 24)	666,346
Temporary Assistance for Needy Families	93.558	Merced (County 24)	34,318,606
Subtotal			58,784,245
Refugee and Entrant Assistance - State Administered Programs	93.566	Merced (County 24)	1,575
Community - Based Child Abuse Prevention Grants	93.590	Merced (County 24)	7,829
Child Welfare Services - Programs	93.645	Merced (County 24)	261,455
			(Continued)

FEDERAL GRANTOR	Federal	Contract	Total
Pass-through Grantor	C.F.D.A.	or Program	Federal
Program Title	Number	Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
Passed Through California Department of Social Services (Continued)			
Foster Care - Title IV-E	93.658	CSA 199-2	438,995
Foster Care - Title IV-E	93.658	Merced (County 24)	309
Foster Care - Title IV-E	93.658	Merced (County 24)	47,551
Foster Care - Title IV-E	93.658	Merced (County 24)	40,699
Foster Care - Title IV-E	93.658	Merced (County 24)	35,737
Foster Care - Title IV-E	93.658	Merced (County 24)	212,373
Foster Care - Title IV-E	93.658	Merced (County 24)	227,528
Foster Care - Title IV-E	93.658	Merced (County 24)	3,319,169
Foster Care - Title IV-E	93.658	Merced (County 24)	47,032
Foster Care - Title IV-E	93.658	Merced (County 24)	294,750
Foster Care - Title IV-E	93.658	Merced (County 24)	3,607,952
Subtotal		, ,	8,272,095
Adoption Assistance	93.659	Merced (County 24)	77,256
Adoption Assistance	93.659	Merced (County 24)	200,090
Adoption Assistance	93.659	Merced (County 24)	62,343
Adoption Assistance	93.659	Merced (County 24)	2,601,355
Subtotal			2,941,044
Chafee Foster Care Independence Program	93.674	Merced (County 24)	120,922
Social Services Block Grant	93.667	Merced (County 24)	270,354
		, , ,	
Passed Through California Emergency Management Agency	00.007	AT40.00.0040	44.540
Social Services Block Grant Social Services Block Grant	93.667	AT12 09 0240	41,543
Social Services Block Grant	93.667	AT13 10 0240	112,405
Subtotal			424,302
Passed Through Public Health Institute			
Community Transformation Grants and National Dissemination and			
Support for Community Transformation Grants	93.531	1017729 (HE 1144/1258/1300/1350)	125,366
Total U.S. Department of Health and Human Services			108,910,439
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through California Emergency Management Agency			
Emergency Management Performance Grants	97.042	2013-0047	245,000
Pre-disaster Mitigation	97.047	2012-0004	13,388
Homeland Security Grant Program	97.067	2010-00085	22,185
Homeland Security Grant Program	97.067	2011-00077	2,400
Homeland Security Grant Program	97.067	2012-00123	101,937
Homeland Security Grant Program	97.067	2013-00110	172,553
Homeland Security Grant Program	97.067	2014-00093	16,100
Subtotal	37.007	2014 00000	315,175
Total U.S. Department of Homeland Security			573,563
Total Expenditures of Federal Awards			\$ 126,662,867

COUNTY OF MERCED NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 – GENERAL

The accompanying schedule of expenditures of federal awards (SEFA) presents the activity of all federal financial assistance programs of the County of Merced, California (County). The County reporting entity is defined in Note 1 within the Merced County Comprehensive Annual Financial Report (CAFR). All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included in the SEFA.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying SEFA is presented using the cash basis of accounting with the exception of the Department of Workforce Investment using the accrual basis of accounting. Within the CAFR, the basic financial statements were presented using the accrual basis of accounting for the government-wide and proprietary fund statements and the modified accrual basis of accounting for the governmental fund statements.

NOTE 3 – AMOUNT PROVIDED TO SUBRECIPIENTS

The County has provided federal awards to various organizations. The amounts provided to subrecipients from each federal program are summarized as follows:

FEDERAL GRANTOR OR Pass-Through Grantor	Federal Program	Federal C.F.D.A. #	Subrecipient	Contract or Program Number	Pi	Amount rovided to brecipients
State Employment Development Department State Employment Development Department	WIA Youth Activities WIA Youth Activities	17.259 17.259	Merced County Office of Education Merced County Office of Education	K491027/K594770 K491027/K594770	\$	277,915 380,934
California Department of Alcohol and Drug	Drug Medical	93.778	Aegis Medical Systems Inc.	10-NNA24		825,891
California Emergency Management Agency California Emergency Management Agency California Emergency Management Agency California Emergency Management Agency	Homeland Security Grant Program Homeland Security Grant Program Homeland Security Grant Program Homeland Security Grant Program	97.067 97.067 97.067 97.067	City of Gustine City of Livingston City of Los Banos City of Merced	2012-00123/2013-00110 2012-00123/2013-00110 2012-00123/2013-00110 2012-00123/2013-00110		17,560 30,473 10,000 66,804
					\$	1,609,577

NOTE 4 - CALIFORNIA DEPARTMENT OF AGING GRANT PROGRAMS

The SEFA is normally a presentation of federal awards expended. However, the terms and conditions of agency contracts with the California Department of Aging require agencies to display state-funded expenditures discretely along with the related federal expenditures in the SEFA. The following is a listing of the grant programs administered by the California Department of Aging.

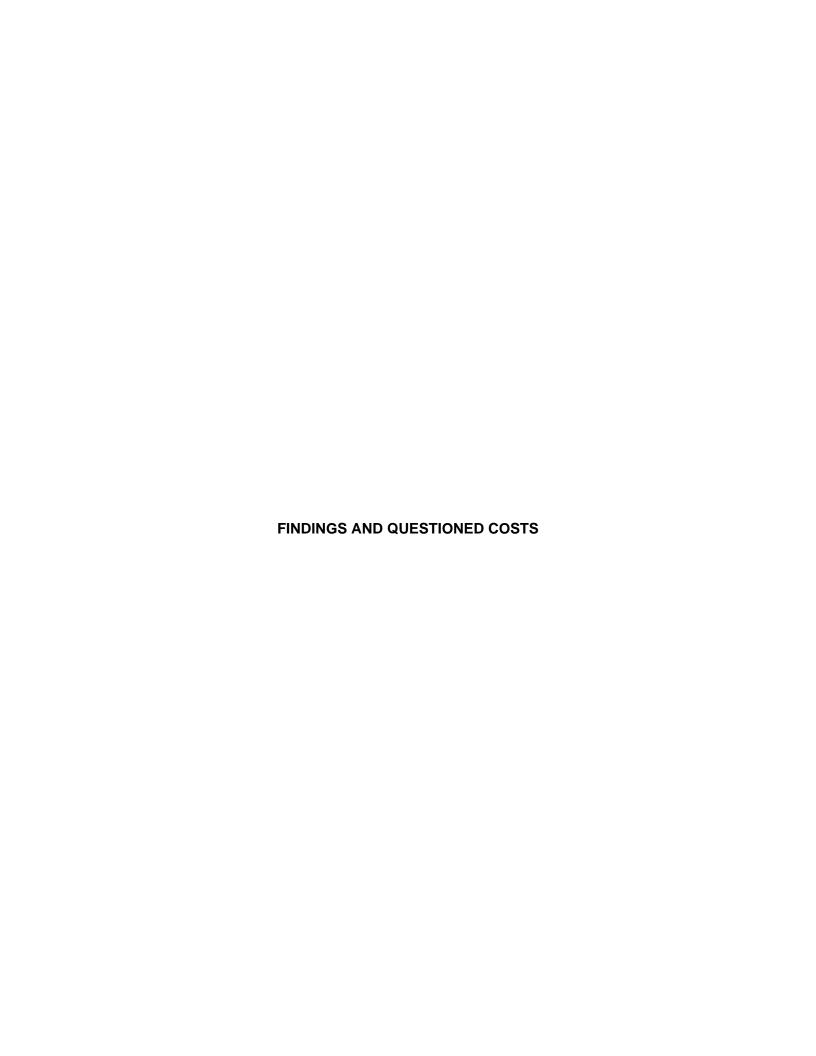
LOCAL PROGRAM TITLE	PROGRAM	C.F.D.A. #	CONTRACT OR PROGRAM FEDERAL NUMBER EXPENDITURES				STATE ENDITURES
HICAP State Contract (14/15)	HICAP	93.779	H9-1415-31/H3-1415-31	\$	81,430	\$	163,529
Title III/VII State Contract (14/15)	Nutrition Services	93.045	A-1415-31		404,880		45,089
Title III/VII State Contract (14/15)	NSIP	93.053	A-1415-31		52,816		-
Title III/VII State Contract (14/15)	Family Caregiver Support IIIE	93.052	A-1415-31		96,846		-
Title III/VII State Contract (14/15)	Elder Abuse Title VII	93.041	A-1415-31		3,105		-
Title III/VII State Contract (14/15)	Ombudsman Title VII	93.042	A-1415-31		23,788		-
Title III/VII State Contract (14/15)	Disease Prev. & Promo. Svcs Title IIID	93.043	A-1415-31		11,051		-
Title III/VII State Contract (14/15)	Supp Svcs & Sr, Ctrs Title IIIB	93.044	A-1415-31		232,661		-
Title III/VII State Contract (14/15)	Sr, Farmers Market	10.576	A-1415-31		10,000		-
Title III/VII State Contract (14/15)	Ombudsman Special Deposit Fund (SDF)	State only	A-1415-31		-		6,229
Title III/VII State Contract (14/15)	Ombudsman Skilled Nursing Facility Quality	State only	A-1415-31				9,631
				\$	916,577	\$	224,478

NOTE 5 - LOANS OUTSTANDING

The County participates in certain federal award programs that sponsor revolving loan programs, which are administered by the County. These programs maintain servicing and trust arrangements with the County to collect loan repayments. The funds are returned to the programs upon repayment of the principal and interest. The federal government has imposed no continuing compliance requirements with respect to the loans rendered under the programs other than to repay the loans, except for the Economic Development Administration Revolving Loan Funds, which do impose continuing compliance requirements in addition to repayment of the loans.

The following is a summary of the loan programs maintained by the County and their balances at June 30, 2015:

	C.F.D.A. Number	ne 30, 2015 Amount utstanding
Economic Adjustment Assistance	11.307	\$ 609,415
Community Development Block Grants/State's Programs	14.228	2,484,119
HOME Investment Partnership Program	14.239	 4,378,755
		\$ 7,472,289



COUNTY OF MERCED SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I – <u>Summary of Auditor's Results</u>

None.

Financial Statements					
Type of auditor's report issued:		Unr	modified	t	
Internal control over financial reporting:					
Material weakness identified?			Yes	Χ	No
 Significant deficiencies identified that are not considered to be material weaknesses? 			Yes	X	None Reported
Noncompliance material to financial statements not	ed?		Yes	Χ	No
Federal Awards					
Internal control over major federal programs:					
Material weakness identified?			Yes	Χ	No
 Significant deficiencies identified that are not considered to be material weaknesses? 			_ Yes	X	None reported
Type of auditor's report issued on compliance for m federal programs:	ajor	Unr	modified	t	
Any audit findings disclosed that are required to be accordance with Section 510(a) of OMB Circular A-			_ Yes	Χ	No
Identification of major programs:					
CFDA Number(s)	Name of Federa	al Prog	gram or	Cluste	er
10.561	State Administra Supplemental I				
17.258 17.259 17.277 17.278	WIA Cluster WIA Adult Pro- WIA Youth Act WIA National E WIA Dislocate	tivities Emerg	s gency G		Grants
93.778	Medical Assistar	nce P	rogram		
Dollar threshold used to distinguish between type A	and type B progra	ams:	\$3,00	0,000	
Auditee qualified as low-risk auditee?		X	Yes		No
Section II – <u>Financial Statement Findings</u>					
None.					
Section III – Federal Award Findings and Questio	ned Costs				

COUNTY OF MERCED STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

None.