

**COUNTY OF SAN DIEGO HEALTH AND
HUMAN SERVICES AGENCY**

**(A COMPONENT UNIT OF THE
COUNTY OF SAN DIEGO, CALIFORNIA)**

**STATEMENT OF CLAIMS AND FISCAL REPORTS WITH
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2018

San Diego

Los Angeles

**San Francisco
Bay Area**

christywhite
A PROFESSIONAL
ACCOUNTANCY CORPORATION *associates*

COUNTY OF SAN DIEGO HEALTH AND HUMAN SERVICES AGENCY
TABLE OF CONTENTS
JUNE 30, 2018

FINANCIAL SECTION

Independent Auditors' Report 1
CLPC - 7035 Statement of Claims..... 3
CRET - 7033 Statement of Claims..... 4
CLPC - 7035 Audited Fiscal Report..... 5
CRET - 7033 Audited Fiscal Report..... 6
Notes to Financial Statements..... 7

SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal and State Awards 10
Combining Schedule of Activities..... 11
Combining Schedule of Expenditures by State Categories..... 12
Combining Schedule of Reimbursable Administrative Costs 13

OTHER INDEPENDENT AUDITORS' REPORTS

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* 14

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Schedule of Findings and Questioned Costs 16
Schedule of Prior Year Findings and Questioned Costs 17

INDEPENDENT AUDITORS' REPORT

Governing Board
County of San Diego Health and Human Services Agency
San Diego, California

Christy White, CPA

Michael D. Ash, CPA

John Whitehouse, CPA

Heather Daud Rubio

We have audited the accompanying Statements of Claims and Fiscal Reports of the County of San Diego Health and Human Services Agency (County) for the California State Department of Education Child Development Programs (Project No. 37-2001-00-7, and Contract Nos. CLPC-7035 and CRET-7033) for the fiscal year ended June 30, 2018. The Statements of Claims and Fiscal Reports are the responsibility of the County's management.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Statements of Claims and Fiscal Reports 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 Statements of Claims and Fiscal Reports that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statements of Claims and Fiscal Reports 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 California Department of Education Audit Guide issued by the California Department of Education. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statements of Claims and Fiscal Reports are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 County'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 Statements of Claims and Fiscal Reports.

SAN DIEGO
LOS ANGELES
SAN FRANCISCO/BAY AREA

Corporate Office:
348 Olive Street
San Diego, CA 92103

toll-free: 877.220.7229
tel: 619.270.8222
fax: 619.260.9085
www.christywhite.com

*Licensed by the California
State Board of Accountancy*

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

Opinion

In our opinion, the Statements of Claims and Fiscal Reports referred to above present fairly, in all material respects, the program expenditures, program funds received, and fiscal year reimbursements for the fiscal year ended June 30, 2018 in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the Statements of Claims and Fiscal Reports that collectively comprise the County's Statement of Claims and Fiscal Reports as a whole.

The accompanying schedule of expenditures of federal and state awards, combining schedule of activities, combining schedule of expenditures by state categories, and combining schedule of administrative costs are presented for purposes of additional analysis and are not required parts of the Statements of Claims and Fiscal Reports. The schedule of expenditures of federal and state awards, combining schedule of activities, combining schedule of expenditures by state categories, and combining schedule of administrative costs are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the Statements of Claims and Fiscal Reports. The information has been subjected to the auditing procedures applied in the audit of Statements of Claims and Fiscal Reports (and in conformity with the CDE Audit Guide issued by the California Department of Education), including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Statements of Claims and Fiscal Reports or to the Statements of Claims and Fiscal Reports themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the Statements of Claims and Fiscal Reports taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2018 on our consideration of 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.



San Diego, California
September 7, 2018

COUNTY OF SAN DIEGO HEALTH AND HUMAN SERVICES AGENCY
 STATEMENT OF CLAIMS
 FOR THE YEAR ENDED JUNE 30, 2018

Child Care Development Fund
 Project No.: 37-2001-00-7
 Contract No.: CLPC-7035

PROGRAM EXPENDITURES

Administrative and support services costs	\$ 71,130	
Total Expenditures		\$ 71,130

PROGRAM FUNDS RECEIVED

State of California	23,405	
Funds used to satisfy match requirement	21,750	
Other: Interest earned on State advances	302	
Total Funds Received		45,457
Program Funds Due to the County (Due to the State)		\$ 25,673

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN DIEGO HEALTH AND HUMAN SERVICES AGENCY
 STATEMENT OF CLAIMS
 FOR THE YEAR ENDED JUNE 30, 2018

Child Care Development Fund
 Project No.: 37-2001-00-7
 Contract No.: CRET-7033

PROGRAM EXPENDITURES

Administrative and support services costs	\$ 690,679	
Less: Amount in excess of Maximum Reimbursable Amount (MRA)	(3,319)	
Net Reimbursable Expenditures	<u> </u>	\$ 687,360

PROGRAM FUNDS RECEIVED

State of California	171,333	
Other: Interest earned on State advances	2,027	
Total Funds Received	<u> </u>	173,360
Program Funds Due to the County (Due to the State)	<u> </u>	\$ 514,000

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN DIEGO HEALTH AND HUMAN SERVICES AGENCY
AUDITED FISCAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

AUDITED FISCAL REPORT for Child Development Support Contracts			
Agency Name:	<u>County of San Diego Health and Human Services Agency</u>	Vendor No.	<u>2001</u>
Fiscal Year End:	<u>June 30, 2018</u>	Contract No.	<u>CLPC - 7035</u>
Multi-Year Contract? (Check "No Box or Enter Contract Period):		No: <input checked="" type="checkbox"/> or Period: _____	
Independent Auditor's Name: <u>Christy White Associates</u>			

	COLUMN A1	COLUMN A2	COLUMN B	COLUMN C
	LAST YEAR'S AUD 9529 ENDING BALANCE FOR THIS CONTRACT (Multi-Year Contract Only)	CURRENT FISCAL YEAR PER FORM CDFS 9529	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE THROUGH CURRENT FISCAL YEAR PER AUDIT
SECTION I - REVENUE				
RESTRICTED INCOME				
Match Requirement	\$ -	\$ 21,750	\$ -	\$ 21,750
County Maintenance of Effort (EC 8279)		-	-	-
Other (Specify):				
Subtotal	-	21,750	-	21,750
INTEREST EARNED ON APPORTIONMENTS	-	302	-	302
UNRESTRICTED INCOME				
Other (Specify):				
TOTAL REVENUE	\$ -	\$ 22,052	\$ -	\$ 22,052

SECTION II - REIMBURSABLE EXPENSES				
1000 Certificated Salaries	\$ -	\$ -	\$ -	\$ -
2000 Classified Salaries		646		646
3000 Employee Benefits		420		420
4000 Books and Supplies				
5000 Services and Other Operating Expenses		70,064		70,064
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (<i>program-related</i>)				
6500 Replacement Equipment (<i>program-related</i>)				
Depreciation or Use Allowance				
Indirect Cost Rate Percentage				
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$ -	\$ 71,130	\$ -	\$ 71,130
TOTAL ADMINISTRATIVE COST (included in section II above)	\$ -	\$ 945	\$ -	\$ 945
FOR CDE- A&I USE ONLY:				

COMMENTS - If necessary, attach additional sheets to explain adjustments:

<input checked="" type="checkbox"/>	NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit next page 2 if there are no supplemental revenues to expenses to report.
-------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------

**COUNTY OF SAN DIEGO HEALTH AND HUMAN SERVICES AGENCY
AUDITED FISCAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

AUDITED FISCAL REPORT for Child Development Support Contracts			
Agency Name:	<u>County of San Diego Health and Human Services Agency</u>	Vendor No.	<u>2001</u>
Fiscal Year End:	<u>June 30, 2018</u>	Contract No.	<u>CRET - 7033</u>
Multi-Year Contract? (Check "No Box or Enter Contract Period):	No: <input checked="" type="checkbox"/> X		or Period: _____
Independent Auditor's Name:	<u>Christy White Associates</u>		

	COLUMN A1 LAST YEAR'S AUD 9529 ENDING BALANCE FOR THIS CONTRACT (Multi-Year Contract Only)	COLUMN A2 CURRENT FISCAL YEAR PER FORM CDFS 9529	COLUMN B AUDIT ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C CUMULATIVE THROUGH CURRENT FISCAL YEAR PER AUDIT
SECTION I - REVENUE				
RESTRICTED INCOME				
Match Requirement	\$ -	\$ -	\$ -	\$ -
County Maintenance of Effort (EC 8279)				
Other (Specify):				
Subtotal	-	-	-	-
INTEREST EARNED ON APPORTIONMENTS	-	2,027	-	2,027
UNRESTRICTED INCOME				
Other (Specify):				
TOTAL REVENUE	\$ -	\$ 2,027	\$ -	\$ 2,027

SECTION II - REIMBURSABLE EXPENSES				
1000 Certificated Salaries	\$ -	\$ -	\$ -	\$ -
2000 Classified Salaries				
3000 Employee Benefits				
4000 Books and Supplies				
5000 Services and Other Operating Expenses		690,679		690,679
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (<i>program-related</i>)				
6500 Replacement Equipment (<i>program-related</i>)				
Depreciation or Use Allowance				
Indirect Cost Rate Percentage				
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$ -	\$ 690,679	\$ -	\$ 690,679
TOTAL ADMINISTRATIVE COST (included in section II above)	\$ -	\$ 9,907	\$ -	\$ 9,907
FOR CDE-A&I USE ONLY:				

COMMENTS - If necessary, attach additional sheets to explain adjustments:

<input checked="" type="checkbox"/>	NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit next page 2 if there are no supplemental revenues to expenses to report.
-------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------

COUNTY OF SAN DIEGO HEALTH AND HUMAN SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County of San Diego is a political subdivision of the State of California (State) and is governed by an elected Board of Supervisors. As such, it can exercise the powers specified by the Constitution and Statutes of the State. The Health and Human Services Agency is a department within the County of San Diego and operates the California State Department of Education Child Development Programs within the County of San Diego.

The accompanying financial statement presentations relate to the County of San Diego Health and Human Services Agency operations and include only selected data that is required to be reported to the California Department of Education, pursuant to Contract Nos. CLPC-7035 and CRET-7033. In accordance with criteria adopted by the Governmental Accounting Standards Board (GASB), the entire operations of the County of San Diego Health and Human Services Agency is included in the County of San Diego's Comprehensive Annual Financial Report.

B. General Program Information

The County of San Diego Health and Human Services Agency administered the following California State Department of Education Child Development Programs during the fiscal year ended June 30, 2018: Local Child Care Planning Council and Child Care Staff Retention Program.

The Local Child Care Planning Council (CLPC-7035) was established to develop a comprehensive long-range plan for a broad spectrum of childcare and development services. Items that may be addressed by the council include the expansion of care for all children with childcare and development need within the County of San Diego and the development of strategies and the mechanisms for upgrading the quality of care.

The Child Care Staff Retention Program (CRET-7033) was established to retain qualified child care employees, who work directly with children who receive subsidized care, in State subsidized, center-based programs.

C. Basis of Presentation

The Statement of Claims and Fiscal Reports, Schedule of Activities, Schedule of Expenditures by State Categories, and Schedule of Reimbursable Administrative Costs were prepared from the accounts and transactions of the County. The statements summarized revenues, expenditures, and matching funds recorded by the County for the fiscal year ended June 30, 2018 and follow the formats prescribed by the California State Department of Education.

COUNTY OF SAN DIEGO HEALTH AND HUMAN SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Method of Accounting

Prior to July 1, 2000, the County used the modified accrual basis of accounting for the Statements of Claims and Fiscal Reports, Schedule of Activities, Schedule of Expenditure by State Categories, and Schedule of Administrative Costs. The Program began to utilize the accrual basis of accounting during fiscal year ended June 30, 2001. Revenues are recognized in the period earned and expenses are recognized in the period in the period incurred.

NOTE 2 – ADMINISTRATIVE EXPENDITURES AND SUPPORT COSTS

Costs related to the administration of the child development programs are reported as administrative expenditures on the Statement of Claims. The administrative expenditures consist of administrative and support costs. For the fiscal year ended June 30, 2018, such costs consisted of the following:

	Administrative	Support	Total
CLPC-7035			
Salaries and benefits	\$ 160	\$ 906	\$ 1,066
Services and other operating expenses	-	69,279	69,279
Audit fee	785	-	785
Total	\$ 945	\$ 70,185	\$ 71,130
CRET-7033			
Salaries and benefits	\$ -	\$ -	\$ -
Services and other operating expenses	-	680,772	680,772
Audit fee	9,907	-	9,907
Total	\$ 9,907	\$ 680,772	\$ 690,679

NOTE 3 – MAINTENANCE OF EFFORT REQUIREMENT

The County satisfied its Maintenance of Effort requirement of \$21,750 for contract number CLPC-7035. The amount retained by the County’s Child Development Program was \$0. The amount spent on administrative and support costs was \$71,130 which is more than 100% of the required Maintenance of Effort.

NOTE 4 – INTEREST EARNED ON STATE ADVANCES

Interest was calculated based on County cash investment yields applied to amounts advanced from the State that were outstanding during the period. Amounts earned by the County were retained and reported in accordance with the Contract Funding Terms and Conditions, which are recorded in the County’s General Fund. Interest earned must be used for Child Development Program expenditures.

COUNTY OF SAN DIEGO HEALTH AND HUMAN SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 5 – FISCAL YEAR REIMBURABLE EARNINGS

Fiscal year reimbursable earnings are the lesser of the contract amount or total expenditures incurred during the fiscal year in the provision of child care and development services for subsidized children, reduced by disallowed costs and restricted income.

NOTE 6 – AMOUNT DUE FROM/(TO) THE STATE

The amount of program funds due from (due to) the State:

CLPC-7035	\$ 25,673
CRET-7033	514,000
Total	<u>\$ 539,673</u>

As of June 30, 2018, the County has received \$23,405 for CLPC-7035 and interest income of \$302; however, total expenditures claimed for CLPC-7035 of \$71,130 were more than the total revenues of state funding, maintenance of effort, and interest earned on the program by \$25,673.

As of June 30, 2018, the County has received \$171,333 for CRET-7033 out of the Maximum Reimbursable Amount (MRA) claimed of \$685,333, which results in a due from the State of \$514,000, after interest earned on the program of \$2,027.

NOTE 7 – CONTINGENCIES

The County has received federal and other governmental funds for specific purposes that are subject to review and audit by the funding agencies. Such audits could generate expenditure disallowances or refunds payable under terms of the agency contracts. No material amounts are currently payable. Loss of governmental support would have a significant impact on the County’s ability to provide its program services.

**COUNTY OF SAN DIEGO HEALTH AND HUMAN SERVICES AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Grantor's Number	Award Amount		Expenditures	
			Federal	State	Federal	State
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:						
<i>Passed through California Department of Education:</i>						
Child Care and Development Fund (CCDF) Cluster						
CCDF Local Child Care and Development Planning Council	93.575/93.596	CLPC-7035	\$ 72,623	\$ 1,980	\$ 69,242	\$ 1,888
CCDF Salary/Retention Incentive Program	93.575/93.596	CRET-7033	612,350	72,983	617,126	73,553
Total			<u>\$ 684,973</u>	<u>\$ 74,963</u>	<u>\$ 686,368</u>	<u>\$ 75,441</u>

Maintenance of Effort funds of \$21,750 were received from the County of San Diego and expended on the Local Planning Council Program in accordance with the County and Child Development Division. Some amounts presented in this schedule may differ from amounts presented in the Statement of Claims, Audited Fiscal Reports, and combining schedules as this schedule is presented in accordance with the requirements of OMB Uniform Grant Guidance.

**COUNTY OF SAN DIEGO HEALTH AND HUMAN SERVICES AGENCY
 COMBINING SCHEDULE OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2018**

	<u>CLPC-7035</u>	<u>CRET-7033</u>	<u>Totals</u>
REVENUE AND SUPPORT			
Government contracts:			
Child care programs	\$ 23,405	\$ 171,333	\$ 194,738
Subtotal government contracts	<u>23,405</u>	<u>171,333</u>	<u>194,738</u>
Maintenance of effort	21,750	-	21,750
Interest earned on State advances	302	2,027	2,329
Total Revenues	<u>22,052</u>	<u>2,027</u>	<u>24,079</u>
Total Revenues and Support	<u>45,457</u>	<u>173,360</u>	<u>218,817</u>
EXPENDITURES			
Classified Salaries:			
Office personnel	646	-	646
Employee benefits	420	-	420
Legal, audit, and accounting	785	9,907	10,692
Other operating expenditures	69,279	680,772	750,051
Total Expenditures	<u>71,130</u>	<u>690,679</u>	<u>761,809</u>
Excess (deficiency) of support, revenues, and expenditures	<u>\$ (25,673)</u>	<u>\$ (517,319)</u>	<u>\$ (542,992)</u>

**COUNTY OF SAN DIEGO HEALTH AND HUMAN SERVICES AGENCY
 COMBINING SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
 FOR THE YEAR ENDED JUNE 30, 2018**

<u>Account</u>	<u>Description</u>	<u>CLPC-7035</u>	<u>CRET-7033</u>	<u>Total CDE CD Contracts</u>
	Direct payments to providers	\$ -	\$ -	\$ -
2000	Classified salaries	646	-	646
3000	Employee benefits	420	-	420
5000	Services and other operating expenses	70,064	690,679	760,743
	Total	\$ 71,130	\$ 690,679	\$ 761,809

We have examined the claims filed for reimbursement and the original records supporting the transactions recorded under the contracts listed above to an extent considered necessary to assure ourselves that the amounts claimed by the contractor were eligible for reimbursement, reasonable, necessary, and adequately supported, according to governing laws, regulations, and contract provisions.

**COUNTY OF SAN DIEGO HEALTH AND HUMAN SERVICES AGENCY
 COMBINING SCHEDULE OF REIMBURSABLE ADMINISTRATIVE COSTS
 FOR THE YEAR ENDED JUNE 30, 2018**

	<u>CLPC-7035</u>	<u>CRET-7033</u>	<u>Totals</u>
REIMBURSABLE ADMINISTRATIVE COSTS			
Administrative salaries	\$ 97	\$ -	\$ 97
Employee benefits	63	-	63
Audit and legal	785	9,907	10,692
Total	<u>\$ 945</u>	<u>\$ 9,907</u>	<u>\$ 10,852</u>

**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**

Independent Auditors' Report

Governing Board
County of San Diego Health and Human Services Agency
San Diego, 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 Statements of Claims and Fiscal Reports of the County of San Diego Health and Human Services Agency (County) for the California State Department of Education Child Development Program (Project No. 37-2001-00-7, and Contract Nos. CLPC-7035 and CRET-7033) as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated September 7, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the Statements of Claims and Fiscal Reports of the County of San Diego Health and Human Services Agency (County) for the California State Department of Education Child Development Program (Project No. 37-2001-00-7, and Contract Nos. CLPC-7035 and CRET-7033), 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 Statements of Claims and Fiscal Reports, 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.

Christy White, CPA

Michael D. Ash, CPA

John Whitehouse, CPA

Heather Daud Rubio

SAN DIEGO

LOS ANGELES

SAN FRANCISCO/BAY AREA

Corporate Office:

348 Olive Street
San Diego, CA 92103

toll-free: 877.220.7229

tel: 619.270.8222

fax: 619.260.9085

www.christywhite.com

Licensed by the California

State Board of Accountancy

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 of San Diego Health and Human Services Agency's Statements of Claims and Fiscal Reports 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 Statement of Claims and Fiscal Reports 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 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.

A handwritten signature in cursive script that reads "Christy White Associates".

San Diego, California
September 7, 2018

**COUNTY OF SAN DIEGO HEALTH AND HUMAN SERVICES AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

Section 1 – Summary of Audit Results

Financial Statements

1. The Independent Auditor’s Report on the Statements of Claims and Fiscal Reports of the County of San Diego Health and Human Services Agency (County) for the California State Department of Education Child Development Program (Project No. 37-2001-00-7, and Contract Nos. CLPC-7035 and CRET-7033) expressed an unmodified opinion.
2. Internal control over financial reporting:
 - a. No material weaknesses identified
 - b. No significant deficiencies identified
3. Compliance:
 - a. No reportable instances of noncompliance identified

Section 2 – Financial Statement Findings

No findings noted

Section 3 – Compliance Findings and Questioned Costs

No findings noted

COUNTY OF SAN DIEGO HEALTH AND HUMAN SERVICES AGENCY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

There were no findings reported for the fiscal year ended June 30, 2017.