

**COUNTY OF SAN LUIS OBISPO**  
**SINGLE AUDIT REPORT**  
**YEAR ENDED JUNE 30, 2025**



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**COUNTY OF SAN LUIS OBISPO  
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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 County of San Luis Obispo, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County of San Luis Obispo's basic financial statements, and have issued our report thereon dated December 29, 2025. Our report includes references to other auditors who audited the financial statements of the San Luis Obispo County Pension Trust (SLOCPT), a pension trust, and First 5 San Luis Obispo, a discretely presented component unit, 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.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered County of San Luis Obispo's internal control over financial reporting (internal control) as a basis for designing 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 County of San Luis Obispo's internal control. Accordingly, we do not express an opinion on the effectiveness of County of San Luis Obispo'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 were not identified.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether County of San Luis Obispo's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**County of San Luis Obispo's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County of San Luis Obispo's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. County of San Luis Obispo's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

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



**CliftonLarsonAllen LLP**

Roseville, California  
December 29, 2025



**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**

***Opinion on Each Major Federal Program***

We have audited the County of San Luis Obispo's (the County) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2025. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the 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, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of County of San Luis Obispo and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of San Luis Obispo's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated December 29, 2025, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the San Luis Obispo County Pension Trust (SLOCPT), a pension trust fund and First 5 San Luis Obispo (First 5), a discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to use, and in our opinion, insofar as it relates to the amounts included for SLOCPT and First 5, are based solely on the reports of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. 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 basic 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.



**CliftonLarsonAllen LLP**

Roseville, California  
March 30, 2026

**COUNTY OF SAN LUIS OBISPO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Assistance Listing Number Entity Identifying Number/Grant Number	2024-2025 Expenditures	Passed-Through to Subrecipients
<b>U. S. Department of Agriculture</b>				
Direct Programs:				
Emergency Watershed Protection	10.923	NR249104xxxxC045	\$ 1,203,489	\$ -
Passed through State Dept of Health Care Services:				
2024 Women Infant Children Nutrition Program	10.557	22-10284	551,291	-
2024 Women Infant Children Nutrition Program - PY	10.557	22-10284	(26,185)	-
2025 Women Infant Children Nutrition Program	10.557	22-10284	1,502,001	-
Subtotal Assistance Listing Number 10.557			<u>2,027,107</u>	<u>-</u>
Passed through State Dept of Food and Agriculture:				
ACP Bulk Citrus	10.025	23-0026-035-SF, 24-0236-035-SF	5,794	-
Glassy-Winged Sharpshooter	10.025	23-0529-036-SF	349,992	-
Asian Citrus Psyllid - PY	10.025	23-0026-041-SF	(140)	-
Asian Citrus Psyllid	10.025	24-0236-008-SF	240,484	-
European Grape Vine Moth	10.025	23-0729-023-SF, 24-0680-025-SF	32,645	-
Phytophthora ramorum (SOD)	10.025	24-0388-016-SF	1,200	-
Pest Detection Trapping	10.025	24-0132-049-SF	238,311	-
Subtotal Assistance Listing Number 10.025			<u>868,286</u>	<u>-</u>
Passed through State Department of Public Health:				
SNAP Cluster:				
State Admin. Matching Grants for the Supplemental Nutrition Assistance Program:				
2024 Suppl'l Nutrition Asst Prog Ed (SNAP-ED)	10.561	23-10343	66,417	-
2025 Suppl'l Nutrition Asst Prog Ed (SNAP-ED)	10.561	23-10343	337,945	-
CalFresh&CalFresh Employment Training (CFET)	10.561	N/A	9,868,800	-
CalFresh&CalFresh Employment Training (CFET) - PY	10.561	N/A	267	-
Subtotal Assistance Listing 10.561/ SNAP Cluster			<u>10,273,429</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>\$ 14,372,311</u>	<u>\$ -</u>
<b>U.S. Department of Housing and Urban Development</b>				
Direct Programs:				
Community Development Block Grants/Entitlement Grants Cluster:				
2017 Community Devel. Block Grants (CDBG)	14.218	B-17-UC-06-0508	\$ 11,148	\$ 11,148
2018 Community Devel. Block Grants (CDBG)	14.218	B-18-UC-06-0508	19,522	19,522
2019 Community Devel. Block Grants (CDBG)	14.218	B-19-UC-06-0508	19,750	19,750
2020 Community Devel. Block Grants (CDBG)	14.218	B-20-UC-06-0508	230,610	230,610
2021 Community Devel. Block Grants (CDBG)	14.218	B-21-UC-06-0508	49,334	49,334
2022 Community Devel. Block Grants (CDBG)	14.218	B-22-UC-06-0508	486,199	486,199
2023 Community Devel. Block Grants (CDBG)	14.218	B-23-UC-06-0508	158,175	158,175
2024 Community Devel. Block Grants (CDBG)	14.218	B-24-UC-06-0508	1,184,875	935,752
COVID-19 Coronavirus Aid, Relief, Econ. Sec. (CDBG CV2)	14.218	21-CDBG-HK-00025	552,274	466,577
COVID-19 Coronavirus Aid, Relief, Econ. Sec. (CDBG CV3)	14.218	B-20-UW-06-0508	204,978	61,988
Community Development Block Grants/Entitlement Grants - New Loans	14.218	N/A	735,556	-
Community Development Block Grants/Entitlement Grants - Existing Loans	14.218	N/A	6,414,873	-
Subtotal CDBG - Entitlement Grants Cluster			<u>10,067,294</u>	<u>2,439,055</u>
2024 Emergency Solutions Grant (ESG)	14.231	E-24-UC-06-0508	149,787	138,556
2023 Emergency Solutions Grant (HESG)	14.231	23-ESG-180008	107,948	105,059
Subtotal Assistance Listing Number 14.231			<u>257,735</u>	<u>243,615</u>
2020 Home Investment Partnership (HOME)	14.239	M-20-UC-06-0545	28,748	28,748
2021 Home Investment Partnership (HOME)	14.239	M-21-UC-06-0545	691,305	691,305
2022 Home Investment Partnership (HOME)	14.239	M-22-UC-06-0545	17,818	17,818
2024 Home Investment Partnership (HOME)	14.239	M-24-UC-06-0545	79,764	-
COVID-19 2021 Home Investment Partnership (HOME-ARP)	14.239	M-21-UP-06-0545	476,198	362,077
Home Partnership Investment Programs -Existing Lns	14.239	N/A	24,117,733	-
Subtotal Assistance Listing Number 14.239			<u>25,411,566</u>	<u>1,099,948</u>
2022 Continuum of Care (Homeless Grants)	14.267	22-CoC-CA-614	246,456	208,641
2023 Continuum of Care (Homeless Grants)	14.267	23-CoC-CA-614	1,190,472	1,053,129
Subtotal Assistance Listing Number 14.267			<u>1,436,928</u>	<u>1,261,770</u>
Total U.S. Department of Housing & Urban Development			<u>\$ 37,173,523</u>	<u>\$ 5,044,388</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SAN LUIS OBISPO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Assistance Listing Number Entity Identifying Number/Grant Number	2024-2025 Expenditures	Passed-Through to Subrecipients
<b>U.S. Department of The Interior</b>				
Passed through California Bureau of Land Management				
Distribution of Receipts to State and Local Governments-Taylor Grazing Act	15.227	N/A	\$ 2,459	\$ -
Water Recycling and Desalination Construction Program	15.504	N/A	<u>146,779</u>	<u>-</u>
Total U.S. Department of Interior			<u>\$ 149,238</u>	<u>\$ -</u>
<b>U.S. Department of Justice</b>				
Direct Programs:				
Federal Asset Forfeiture	16.000	N/A	\$ 94,277	\$ -
2024 State Criminal Alien Assistance Program	16.606	15PBJA-24-RR-05596-SCAA	190,954	-
Joint Law Enforcement Operations Program:				
FY 2024 DEA Domestic Cannabis Erad & Suppress Prog	16.111	2024-40	59,316	-
FY 2024 DEA Domestic Cannabis Erad & Suppress - PY	16.111	2024-40	(252)	-
FY 2025 DEA Domestic Cannabis Erad & Suppress Prog	16.111	2025-36	<u>2,482</u>	<u>-</u>
Subtotal Assistance Listing Number 16.111			61,546	-
COPS Technology & Equipment Grant:				
Bureau of Immigration & Customs Enforcement	16.710	N/A	27,500	-
COPS Technology & Equipment Grant	16.710	15JCOPS-22-GG-01465-TECP	1,073,337	-
COPS Technology & Equipment Grant	16.710	15JCOPS-24-GG-02093-TECP	<u>1,066,123</u>	<u>-</u>
Subtotal Assistance Listing Number 16.710			2,166,960	-
Comprehensive Opioid, Stimulant and Substances Use Program:				
Opioid, Stimulant and Substance Abuse Site-Based	16.838	2020-AR-BX-0126	56,777	23,619
Opioid, Stimulant and Substance Use Site-Based	16.838	15PBJA-23-GG-02359-COAP	<u>357,420</u>	<u>190,600</u>
Subtotal Assistance Listing Number 16.838			414,197	214,219
Treatment Court Discretionary Grant Program:				
Bureau of Justice Assist Adlt Drg Crd Program	16.585	2018-DC-BX-0013	103,909	9,806
Bureau of Justice Assist Adlt Drg Crd Discret	16.585	15PBJA-21-GG-04261-VTCX	63,547	-
Bureau of Justice Assist Adlt Drg Crd Discret - PY	16.585	15PBJA-21-GG-04261-VTCX	47,615	-
OJJDP FY 2021 Family Drug Crd Program	16.585	15PJDP-21-GG-04521-COAP	286,354	47,815
OJJDP FY 2021 Family Drug Crd Program - PY	16.585	15PJDP-21-GG-04521-COAP	<u>913</u>	<u>-</u>
Subtotal Assistance Listing Number 16.585			502,338	57,621
Bureau of Justice STOP School Violence Program	16.839	15PBJA-22GG-04660-STOP	427,422	404,662
Passed through California Emergency Mgmt Agency:				
Crime Victim Assistance:				
Victim Witness Assistance	16.575	VW23420400	153,159	-
Victim Witness Assistance	16.575	VW24031201	86,556	-
Unserved/Underserved Victim Advocacy (Elder)	16.575	UV23020400	111,794	-
Unserved/Underserved Victim Advocacy (Elder)	16.575	UV24031201	<u>3,097</u>	<u>-</u>
Subtotal Assistance Listing Number 16.575			354,606	-
Direct Programs:				
2024 Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-24-GG-04626-JAGX	19,620	-
Passed through California Emergency Mgmt Agency:				
2023 Edward Byrne Memorial Justice Assist (JAG)	16.738	BSCC 626-19	621,492	155,541
2023 Edward Byrne Memorial Justice Assist - PY	16.738	BSCC 1214-23	<u>1</u>	<u>-</u>
Subtotal Assistance Listing Number 16.738			641,113	155,541
Total U.S. Department of Justice			<u>\$ 4,853,413</u>	<u>\$ 832,043</u>
<b>U.S. Department of Labor</b>				
Passed through CA Employment Development Dept:				
WIOA Cluster:				
Workforce Investment Act-Adult	17.258	AA411038	\$ 515,159	\$ 332,955
Workforce Investment Act-Youth	17.259	AA411038	796,936	528,507
Workforce Inv Act-Disloc Workr&Rapid Resp	17.278	AA411038	541,461	304,707
Workforce Inv Act-Disloc Workr&Rapid Resp - PY	17.278	AA411038	<u>(7,220)</u>	<u>-</u>
Subtotal Assistance Listing Number 17.278			534,241	304,707
Total WIOA Cluster/ U.S. Department of Labor			<u>\$ 1,846,336</u>	<u>\$ 1,166,169</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SAN LUIS OBISPO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Assistance Listing Number Entity Identifying Number/Grant Number	2024-2025 Expenditures	Passed-Through to Subrecipients
<b>U.S. Department of Transportation</b>				
Direct programs:				
Airport Improvement Program and Covid-19 Airport Program:				
FAA AIP Program (SBP Airport MasterPlan)	20.106	3-06-0228-048-2020	\$ 35,898	\$ -
FAA AIP Program (SBP Airport MasterPlan) - PY	20.106	3-06-0228-048-2020	146,020	-
FAA AIP Program Runway (PFAS Mitigation)	20.106	3-06-0228-059-2024	195,161	-
COVID-19 FAA AIP Program Airport Rescue (ARPA)	20.106	3-06-0228-056-2021	3,493,713	-
FAA AIP Program Runway (11-29 Rehab)	20.106	3-06-0172-012-2022	34,074	-
FAA AIP Program Runway (11-29 Rehab) - PY	20.106	3-06-0172-012-2022	(1,541)	-
Subtotal Assistance Listing Number 20.106			<u>3,903,325</u>	<u>-</u>
Passed through State Department of Transportation:				
Highway Planning and Construction - PY	20.205	ER-15J7(029)	\$ 220,911	\$ -
Highway Planning and Construction - PY	20.205	ER-15J7(032)	110,172	-
Highway Planning and Construction - PY	20.205	ER-15J7(033)	97,710	-
Highway Planning and Construction - PY	20.205	ER-15J7(037)	71,783	-
Highway Planning and Construction - PY	20.205	ER-15J7(040)	13,062	-
Highway Planning and Construction - PY	20.205	ER-15J7(041)	24,987	-
Highway Planning and Construction - PY	20.205	ER-15J9(009)	107,307	-
Highway Planning and Construction - PY	20.205	ER-15J9(011)	98,542	-
Highway Planning and Construction - PY	20.205	ER-15J9(012)	19,922	-
Highway Planning and Construction	20.205	HSIPL-5949(158)	269,082	-
Highway Planning and Construction	20.205	HSIPL-5949(168)	1,042	-
Highway Planning and Construction - PY	20.205	HSIPL-5949(168)	177,128	-
Highway Planning and Construction	20.205	HSIPL-5949(177)	38,336	-
Highway Planning and Construction	20.205	HSIPL-5949(182)	157,181	-
Highway Planning and Construction	20.205	HSIPL-5949(187)	458,308	-
Highway Planning and Construction	20.205	HSIPL-5949(192)	38,409	-
Highway Planning and Construction - PY	20.205	HSIPL-5949(193)	(10,641)	-
Highway Planning and Construction	20.205	BRLO-5949(128)	67,864	-
Highway Planning and Construction	20.205	BRLO 5949(152)	2,232,910	-
Highway Planning and Construction	20.205	BRLO-5949(156)	2,326,216	-
Highway Planning and Construction	20.205	BRLO-5949(157)	226,391	-
Highway Planning and Construction	20.205	BRLO-5949(183)	550,440	-
Highway Planning and Construction	20.205	BRLS-5949(131)	4,116,920	-
Highway Planning and Construction	20.205	BRLS-5949(135)	3,736,147	-
Highway Planning and Construction	20.205	BRLS-5949(137)	462,442	-
Highway Planning and Construction	20.205	CMFERP16-5949(161)	5,871,078	-
Subtotal Assistance Listing Number 20.205			<u>21,483,649</u>	<u>-</u>
Recreational Trails Program:				
ActiveTransportation Grant	20.219	ATPL - 5949(188)	823,398	-
ActiveTransportation Grant	20.219	ATPL - 5949(188)	64,200	-
Subtotal Assistance Listing Number 20.219			<u>887,598</u>	<u>-</u>
Highway Safety Cluster:				
State and Community Highway Safety:				
2024 Office Of Traffic Safety-Ped&Bicycle	20.600	PS24036	28,587	-
2024 Office Of Traffic Safety-Ped&Bicycle - PY	20.600	PS24036	(114)	-
2025 Office Of Traffic Safety-Ped&Bicycle	20.600	PS25018	131,085	-
Office of Traffic Safety	20.600	DD24006	130,759	-
Office of Traffic Safety - PY	20.600	DD24006	(116)	-
Subtotal Assistance Listing Number 20.600			<u>290,201</u>	<u>-</u>
National Priority Safety Programs:				
2024 Office Of Traffic Safety-Child Pass	20.616	OP24015	35,879	-
2024 Office Of Traffic Safety-Child Pass - PY	20.616	OP24015	(5,016)	-
2025 Office Of Traffic Safety-Child Pass	20.616	OP25009	113,160	-
Subtotal Assistance Listing Number 20.616			<u>144,023</u>	<u>-</u>
Subtotal Highway Safety Cluster			<u>724,425</u>	<u>-</u>
Total U.S. Department of Transportation			<u>\$ 26,708,796</u>	<u>\$ -</u>
<b>U.S. Department of Treasury</b>				
Direct Programs:				
COVID-19 Coronavirus Relief Fund - PY	21.019	N/A	\$ 43,337	\$ -
COVID-19 Emergency Rental Assistance Program	21.023	21-ERAP-10006	497	-
Coronavirus State and Local Recovery Funds:				
COVID-19 American Rescue Plan (ARPA)	21.027	N/A	13,343,316	1,741,250
COVID-19 American Rescue Plan (ARPA) - PY	21.027	N/A	(201,689)	-
COVID-19 American Rescue Plan Act (ARPA) Discret-Alloc	21.027	N/A	35,036	-
COVID-19 American Rescue Plan Act (ARPA) Prevent-Set-Aside	21.027	N/A	15,521	-
COVID-19 American Rescue Plan Act (ARPA) Fri-Night-Live	21.027	N/A	5,000	-
COVID-19 American Rescue Plan Act (ARPA) Food Bank	21.027	N/A	4,309	-
Subtotal Assistance Listing Number 21.027			<u>13,201,493</u>	<u>1,741,250</u>
Total U.S. Department of Treasury			<u>\$ 13,245,327</u>	<u>\$ 1,741,250</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SAN LUIS OBISPO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Assistance Listing Number Entity Identifying Number/Grant Number	2024-2025 Expenditures	Passed-Through to Subrecipients
<b>Institute of Museum and Library Services</b>				
Direct Programs:				
Library Services & Technology Act	45.310	LS-253616-OLS-23	\$ 3,387	\$ -
Library Services & Technology Act	45.310	LS-253616-OLS-23	(1,959)	-
Subtotal Assistance Listing Number 45.310			1,428	-
Total Institute of Museum and Library Services			\$ 1,428	\$ -
<b>U.S. Department of Health &amp; Human Services</b>				
Direct Programs:				
Substance Abuse & Mental Health Services Projects of Regional & National Significance:				
SAMHSA Adult Drug Court	93.243	1H79TI085507-01	\$ 365,699	\$ 161,387
SAMHSA Adult Drug Court - PY	93.243	1H79TI085507-01	1	-
Subtotal Assistance Listing Number 93.243			365,700	161,387
Centers for Medicare & Medicaid Svcs (CMS) Research, Demonstrations & Evaluations:				
Targeted Case Management (TCM) - PY	93.779	N/A	1,880	-
Block Grants for Community Mental Health Services:				
Substance Abuse & Mental Hlth Svcs (SAMHSA)	93.958	1B09SM083782-01	408,602	-
COVID-19 Mental Health Services Block Grant (MHBG-ARPA)	93.958	1B09SM085337-01	131,436	-
Mental Health Services Block Grant (MHBG)	93.958	1B09SM083782-01	361,029	-
COVID-19 Mental Health Svcs Block Grant (CRRSAA-CCMU)	93.958	N/A	518,684	518,684
Subtotal Direct Assistance Listing Number 93.958			1,419,751	518,684
Epidemiology & Laboratory Capacity for Infectious Diseases (ELC):				
ELC Strengthening HAI/AR Program Cap (SHARP)	93.323	N/A	12,625	-
COVID-19 ELC ENHANCING DETECTION EXPANSION FUNDING	93.323	COVID-19ELC98	657,679	-
COVID-19 ELC ENHANCING DETECT EXPNSN FUNDING - PY	93.323	COVID-19ELC98	(1)	-
Subtotal Assistance Listing Number 93.323			670,303	-
Passed through State Dept of Public Health:				
Collabration with Academia to Strengthen Public Health:				
CA Strengthening Public Health Initiative (CASPHI)	93.967	CASPHI0033	103,738	-
Passed through State Dept of Alcohol & Drug Programs:				
Block Grants for Prevention & Treatment of Substance Abuse:				
Substance Abuse Prev&Trtmt Blck-Discret	93.959	18-95272	1,012,340	672,794
Substance Abuse Prev&Trtmt Blck-Fri Night/Club	93.959	18-95272	46,465	-
Substance Abuse Prev&Trtmt Blck-PrevSet-aside	93.959	18-95272	259,738	-
Substance Abuse Prev&Trtmt Blck-PrevSet-aside - PY	93.959	18-95272	(664)	-
Substance Abuse Prev&Trtmt Blck-Adol & Youth	93.959	18-95272	120,005	-
Substance Abuse Prev&Trtmt Blck-Adol & Youth - PY	93.959	18-95272	4	-
Substance Abuse Prev&Trtmt Blck-Perinatal	93.959	18-95272	72,562	-
Subtotal Assistance Listing Number 93.959			1,510,450	672,794
Passed through State Dept of Child Support Svcs:				
Child Support Services:				
Federal Aid for Child Support Adm & EDP	93.563	N/A	3,302,399	-
Passed Through CA Family Health Council:				
Family Planning Services:				
Title X	93.217	88000-5320-2456-200-22.3-24-25	98,155	-
Title X - PY	93.217	88000-5320-2456-200-22.3-24-25	300	-
Subtotal Assistance Listing Number 93.217			98,455	-
Hospital & Public Health Emergency Preparedness Aligned Cooperative Agreements:				
Health Resources Services Admin HPP	93.074	22-10681	203,286	-
CDC-BASE PH EMERGENCY PREPAREDNESS (PHEP)	93.074	22-10681	228,761	-
CDC Base PH Emergency Preparedness (LAB)	93.074	22-10681	375,975	-
CDC Base PH Emergency Preparedness (LAB) - PY	93.074	22-10681	745	-
Subtotal Assistance Listing Number 93.074			808,767	-
Project Grants & Cooperative Agreements for Tuberculosis Control Programs:				
TB FISE Real Time Allotment	93.116	2440BASE00	13,570	-
Passed through State Department of Health Care Services:				
Maternal and Child Health Services Block Grant to States - Title V	93.994	202240	122,194	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SAN LUIS OBISPO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Assistance Listing Number Entity Identifying Number/Grant Number	2024-2025 Expenditures	Passed-Through to Subrecipients
<b>U.S. Department of Health &amp; Human Services (Continued)</b>				
Medicaid Cluster::				
Grants to States for Medicaid:				
Medi-Cal Admin (MAA)	93.778	N/A	\$ 732,955	\$ -
Medi-Cal Admin (MAA) - PY	93.778	N/A	120,003	-
First Five Medi-Cal (CBMAA)	93.778	20-10019	28,700	28,700
First Five Medi-Cal (CBMAA) - PY	93.778	20-10019	3,781	3,781
School Based Medi-Cal Administration - PY	93.778	N/A	325,151	325,151
Maternal Child Health - Title XIX	93.778	202240	1,667,459	-
Maternal Child Health - Title XIX - PY	93.778	202240	(25,835)	-
CA Childrens Services Title XIX (MEDI-CAL)	93.778	N/A	332,048	-
CA Childrens Services Title XIX (MEDI-CAL) - PY	93.778	N/A	3,025	-
CA Childrens Services Monitoring and Oversight	93.778	N/A	7,597	-
Health Care for Fostercare (ADMIN)	93.778	N/A	109,253	-
Health Care for Fostercare (BASE)	93.778	N/A	142,651	-
Health Care for Fostercare (BASE) - PY	93.778	N/A	(3)	-
Health Care for Fostercare (PMMO)	93.778	N/A	43,903	-
Health Care for Fostercare (PMMO) - PY	93.778	N/A	(2)	-
Health Care for Fostercare (Caseload Relief)	93.778	N/A	54,740	-
Health Care for Fostercare (Caseload Relief) - PY	93.778	N/A	(1)	-
Childhood Lead Prevention Program (CLPP)	93.778	23-10279	112,799	-
Childhood Lead Prevention Program (CLPP) - PY	93.778	23-10279	2,386	-
IHSS, Public Authority & Medi-Cal	93.778	N/A	10,332,141	-
COUNTY MEDI-CAL ADMIN ACTIVITIES (CBMAA)	93.778	20-10019	151,858	-
COUNTY MEDI-CAL ADMIN ACTIVITIES (CBMAA)	93.778	20-10019	454,126	-
COUNTY MEDI-CAL ADMIN ACTIVITIES (CBMAA)	93.778	20-10019	102,824	-
COUNTY MEDI-CAL ADMIN ACTIVITIES (CBMAA)	93.778	20-10019	69,001	-
COUNTY MEDI-CAL ADMIN ACTIVITIES (CBMAA)	93.778	20-10019	11,032	-
COUNTY MEDI-CAL ADMIN ACTIVITIES (CBMAA)	93.778	20-10019	180,356	-
COUNTY MEDI-CAL ADMIN ACTIVITIES (CBMAA)	93.778	09-86011-A01	21,532	-
COUNTY MEDI-CAL ADMIN ACTIVITIES (CBMAA) - PY	93.778	20-10019	150,984	-
COUNTY MEDI-CAL ADMIN ACTIVITIES (CBMAA) - PY	93.778	20-10019	98,120	-
COUNTY MEDI-CAL ADMIN ACTIVITIES (CBMAA) - PY	93.778	20-10019	(1,904)	-
COUNTY MEDI-CAL ADMIN ACTIVITIES (CBMAA) - PY	93.778	20-10019	57,021	-
COUNTY MEDI-CAL ADMIN ACTIVITIES (CBMAA) - PY	93.778	20-10019	1,947	-
COUNTY MEDI-CAL ADMIN ACTIVITIES (CBMAA) - PY	93.778	20-10019	32,633	-
Medi-Cal Administrative Activities	93.778	09-86011-A01	202,459	-
Medi-Cal Administrative Activities - PY	93.778	09-86011-A01	179,178	-
Providing Access & Transforming Health (PATH-JI)	93.778	1385632-JI	76,060	-
Subtotal Grants to States for Medicaid/ Medicaid Cluster			15,779,978	357,632
Passed through State Department of Social Services:				
KinGap -Kingship Guardian Assistance Program	93.090	N/A	457,304	-
Marylee Allen Promoting Safe and Stable Families Program:				
Promoting Safe and Stable Families	93.556	N/A	157,096	-
Promoting Safe and Stable Families - PY	93.556	N/A	1,231	-
Refugee and Entrant Assistance	93.556	N/A	1,117	-
Refugee Cash Assistance	93.556	N/A	39,350	-
Subtotal Assistance Listing Number 93.556			198,794	-
Temporary Assistance for Needy Families:				
Assistance: CalWORKs	93.558	N/A	7,316,523	-
Administration: CalWORKS, SAWS-CalWIN, TANF	93.558	N/A	11,895,784	-
CalWorks Home Visiting Program (HVP)	93.558	N/A	412,272	-
Administration: CalWORKS,SAWS-CalWIN,TANF - PY	93.558	N/A	13,925	-
Subtotal Assistance Listing Number 93.558			19,638,504	-
Foster Care - Title IV-E:				
Administration: Probation-Title IV E	93.658	N/A	97,822	-
Administration: Probation-Title IV E - PY	93.658	N/A	6,105	-
Child Welfare Services - Title IV E	93.658	N/A	4,474,485	-
Child Welfare Services - Title IV E - PY	93.658	N/A	54,567	-
Foster Care Assistance	93.658	N/A	2,171,336	-
Subtotal Assistance Listing Number 93.658			6,804,315	-
Adoptions & Legal Guardianship Incentive Payments Program	93.603	N/A	213	-
Stephanie Tubbs Jones Child Welfare Services Program - Title IV-B	93.645	N/A	152,281	-
Adoption Assistance:				
Adoption Assistance	93.659	N/A	854,139	-
Adoption Assistance - PY	93.659	N/A	6,647	-
Assistance: Adoption	93.659	N/A	6,265,767	-
Subtotal Assistance Listing Number 93.659			7,126,553	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SAN LUIS OBISPO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Assistance Listing Number Entity Identifying Number/Grant Number	2024-2025 Expenditures	Passed-Through to Subrecipients
<b>U.S. Department of Health &amp; Human Services (Continued)</b>				
Passed through State Department of Social Services (Continued):				
Social Services Block Grant:				
Child Welfare Service - Title XX	93.667	N/A	\$ 351,408	\$ -
Foster Care Assistance - Title XX	93.667	N/A	121,516	-
Subtotal Assistance Listing Number 93.667			<u>472,924</u>	<u>-</u>
John H. Chafee Foster Care Program for Successful Transition to Adulthood:				
Independent Living Program	93.674	N/A	113,005	-
Independent Living Program - PY	93.674	N/A	(61,036)	-
Subtotal Assistance Listing Number 93.674			<u>51,969</u>	<u>-</u>
Childrens Health Insurance Program:				
CA Childrens Services and TLIIP Title XXI (OTLICP)	93.767	20-02	86,829	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants:				
Disease Intervention Specialist Workforce Dev	93.977	21-10583	59,722	-
Passed through State Department of Health Care Services:				
Immunization Cooperative Agreements:				
Immunization Local Assistance Grant	93.268	22-10054	409,489	-
Immunization Local Assistance Grant - PY	93.268	22-10054	300	-
Subtotal Assistance Listing Number 93.268			<u>409,789</u>	<u>-</u>
Passed through State Department of Mental Health:				
Mental Health-McKinney Assistance in Transition from Homelessness	93.150	N/A	44,235	44,235
Total U.S Department of Health & Human Services			<u>\$ 59,700,617</u>	<u>\$ 1,754,732</u>
<b>U.S. Department of Homeland Security</b>				
Direct Programs:				
Disaster Grants - Public Assistance - PY	97.036	FEMA-4482-DR-CA	\$ 267,964	\$ -
Disaster Grants - Public Assistance - PY	97.036	FEMA-4683-DR-CA	538,097	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4683-DR-CA	56,039	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4683-DR-CA	464,565	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4683-DR-CA	566,659	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4683-DR-CA	54,450	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4683-DR-CA	88,612	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4683-DR-CA	341,832	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4683-DR-CA	2,005	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4683-DR-CA	148,660	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4683-DR-CA	102,109	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4769-DR-CA	32,096	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4699-DR-CA	184,598	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4699-DR-CA	10,108	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4699-DR-CA	198,210	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4769-DR-CA	85,787	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4769-DR-CA	12,106	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4769-DR-CA	5,044	-
Disaster Grants - Public Assistance - PY	97.036	FEMA-4769-DR-CA	3,027	-
Subtotal Direct Assistance Listing Number 97.036			<u>3,161,968</u>	<u>-</u>
Hazard Mitigation Grant Program	97.039	DR-4683-1033-22P	147,543	-
Emergency Management Performance Grants:				
Emergency Management Performance Grant 2022 - PY	97.042	2022-0043	(362)	-
Emergency Management Performance Grant 2024	97.042	2024-0050	173,350	-
2023 Homeland Security Grant (IT HSGP)	97.042	2023-0006	6,494	-
Subtotal Assistance Listing Number 97.042			<u>179,482</u>	<u>-</u>
Homeland Security Grant Program:				
2021 Stonegarden Grant - PY	97.067	2021-0081	(33,976)	-
2022 Stonegarden Grant	97.067	2022-0043	110,779	-
2022 Stonegarden Grant - PY	97.067	2022-0043	(165)	-
2023 Stonegarden Grant	97.067	2023-0042	49,665	-
COVID-19 Advanced Molecular Detection (AMD#2)	97.067	ELCPHL#08SLO	114,446	-
2022 Homeland Security	97.067	2022-0043	64,816	-
2023 Homeland Security	97.067	2023-0042	68,320	-
Homeland Security - Election Security	97.067	2022-0043	10,499	-
Subtotal Assistance Listing Number 97.067			<u>384,384</u>	<u>-</u>
Total Department of Homeland Security			<u>\$ 3,873,377</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 161,924,366</u>	<u>\$ 10,538,582</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SAN LUIS OBISPO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2025**

**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/expenses accounted for in governmental funds and proprietary funds, respectively, as described in Note 1 of the County's basic financial statements. Such expenditures/expenses are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures/expenses are not allowable or are limited as to reimbursement.

**NOTE 3 FEDERAL ASSISTANCE LISTING NUMBERS**

The program titles and federal assistance listing numbers were obtained from the federal or pass-through grantor.

**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.

**NOTE 5 PASS-THROUGH ENTITIES' IDENTIFYING NUMBER**

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

**COUNTY OF SAN LUIS OBISPO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2025**

**NOTE 6 LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS**

Outstanding federally funded program loans, with continuing compliance requirements, carried balances as of June 30, 2025 as follows:

Federal ALN #	Program	SEFA June 30, 2025	FY 24-25 Activity	County Balance June 30, 2025
14.218	Community Development Block Grants/ Entitlement Grants	\$ 7,150,429	\$ -	\$ 7,150,429
14.239	HOME Investment Partnerships Program	\$ 24,117,733	\$ -	\$ 24,117,733

**COUNTY OF SAN LUIS OBISPO  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2025**

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**Section I – Summary of Auditors’ Results**

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**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**

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
14.218	Community Development Block Grants/ Entitlement Grants
14.239	Home Investment Partnerships
93.558	Temporary Assistance for Needy Families
93.563	Child Support Services
93.658	Foster Care Title IV-E
97.036	Disaster Grants – Public Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$     3,000,000    

Auditee qualified as low-risk auditee?            yes     x     no

**COUNTY OF SAN LUIS OBISPO  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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**Section II – Financial Statement Findings**

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**2025-001 – Restatement of Beginning Fund Balance**

**Condition:** For the fiscal year ended June 30, 2025, the County of San Luis Obispo restated its beginning fund balance in the General Fund by a total of \$20.1 million. This restatement consisted of:

- An increase of \$15.2 million for revenues from the State of California related to the Medi-Cal program that were incorrectly not recognized in prior years. These amounts had been recorded as a payable because the County anticipated the possibility of repayment to the State.
- An additional increase of \$4.9 million for a receivable related to Medi-Cal that was understated in the prior year.

**Criteria:** Governmental accounting standards require that revenues and receivables be recognized in the appropriate period when they are both measurable and available, and that liabilities be recorded only when a present obligation exists.

**Cause:** The County did not properly evaluate the nature of the Medi-Cal transactions and incorrectly classified certain amounts as a liability rather than revenue. Additionally, the County failed to accurately record the receivable related to Medi-Cal in the prior year.

**Effect:** The misclassification and understatement resulted in a material misstatement of prior-year financial statements and required a restatement of beginning fund balance in the General Fund totaling \$20.1 million.

**Recommendation:** The County should strengthen its review and reconciliation processes for Medi-Cal program transactions to ensure proper recognition of revenues, receivables, and liabilities in accordance with applicable accounting standards. Management should implement additional training and oversight to prevent similar errors in future periods.

**Views of Responsible Officials and planned corrective action:** Management agrees with the finding and has provided the department with guidance on proper revenue recognition of Medi-Cal reimbursement transactions.

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**Section III – Findings and Questioned Costs – Major Federal Programs**

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



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