

**COUNTY OF MENDOCINO  
SINGLE AUDIT REPORT  
YEAR ENDED JUNE 30, 2020**



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**COUNTY OF MENDOCINO**

Single Audit Report  
Year Ended June 30, 2020

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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 Mendocino  
Ukiah, California

We have audited in accordance with 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, each major fund and the aggregate remaining fund information of the County of Mendocino as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 23, 2020. Our report includes a reference to other auditors who audited the financial statements of Mendocino County Employees' Retirement Association (MCERA), a pension trust fund, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered County of Mendocino'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 County of Mendocino's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Mendocino's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a material weakness.

### **Compliance and Other Matters**

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

### **County of Mendocino's Response to Finding**

County of Mendocino's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Mendocino's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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 23, 2020



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND  
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of Supervisors  
County of Mendocino  
Ukiah, California

**Report on Compliance for Each Major Federal Program**

We have audited County of Mendocino's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Mendocino's major federal programs for the year ended June 30, 2020. County of Mendocino's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of County of Mendocino's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Mendocino'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 County of Mendocino's compliance.

**Opinion on Each Major Federal Program**

In our opinion, County of Mendocino 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, 2020.

**Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-002. Our opinion on each major federal program is not modified with respect to this matter.

County of Mendocino's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Mendocino's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### **Report on Internal Control Over Compliance**

Management of County of Mendocino is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County of Mendocino's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Mendocino'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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-002 that we consider to be a significant deficiency.

County of Mendocino's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Mendocino's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of County of Mendocino as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise County of Mendocino's basic financial statements. We issued our report thereon dated December 23, 2020, which contained unmodified opinions on those financial statements. We did not audit the financial statements of Mendocino County Employees' Retirement Association (MCERA), a pension trust fund. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for MCERA, 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 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  
December 23, 2020

**COUNTY OF MENDOCINO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	Pass-Through to Subrecipients
<u>U.S. Department of Agriculture</u>				
Passed through State Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care:				
Pierce's Disease Control Program	10.025	17-043-050-SF	\$ 12,329	\$ -
Sudden Oak Death	10.025	19-0267-024-SF	3,705	-
European Grapevine Moth Trapping	10.025	18-0619-020-SF	37,834	-
Light Brown Apple Moth Trapping	10.025	19-0268-004-SF	6,143	-
Light Brown Apple Moth Trapping	10.025	19-0268-031-SF	727	-
Pest Detection	10.025	19-0135	16,971	-
Subtotal CFDA 10.025			<u>77,709</u>	<u>-</u>
Passed through State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				
Supplemental Nutrition Assistance Program	10.561	--	\$ 2,526,131	\$ -
SNAP Ed CDPH-NEOP Branch Admin Costs	10.561	16-10152	190,905	40,109
Subtotal CFDA 10.561			<u>2,717,036</u>	<u>40,109</u>
Passed through State Department of Health Services:				
Nutrition Women, Infants, Children (WIC) (Base Program)				
Nutrition Women, Infants, Children (WIC) (Breast Feeding Program)	10.557	15-10071	\$ 903,894	\$ -
Special Supp Nutrition Program for WIC (Admin Costs)	10.557	15-10071	74,883	-
Subtotal CFDA 10.557			<u>28,193</u>	<u>-</u>
			<u>1,006,970</u>	<u>-</u>
Direct Program				
USDA Forest Service	10.788	--	\$ 2,280	\$ -
Subtotal Direct			<u>2,280</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>\$ 3,803,995</u>	<u>\$ 40,109</u>
<u>U.S. Department of Commerce</u>				
Passed through Economic Development Administration:				
Economic Adjustment Assistance Program	11.307	EDA Proj#/Investment# 07 79 07475	\$ 142,628	\$ -
Total U.S. Department of Commerce			<u>\$ 142,628</u>	<u>\$ -</u>
<u>U.S. Elections Administration Commission</u>				
Passed through Secretary of State of California				
Help America Vote Act	90.401	16G30113	\$ 76,307	\$ -
Total U.S. Elections Administration Commission			<u>\$ 76,307</u>	<u>\$ -</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed Through State Dept of Housing & Community Devlpmt:				
Homeless management Information Systems (HMIS)	14.267	--	\$ 39,763	\$ -
Total U.S. Department Housing and Urban Development			<u>\$ 39,763</u>	<u>\$ -</u>
<u>U.S. Department of Interior</u>				
Direct programs:				
Federal grazing Fee	15.000	10-95348	\$ 199	\$ -
Total U.S. Department of Interior			<u>\$ 199</u>	<u>\$ -</u>
<u>U.S. Department of Justice</u>				
Direct programs:				
Domestic Cannabis Eradication & Suppression Program	16.000	--	\$ 134,147	\$ -
State Criminal Alien Assistance Program	16.606	--	28,407	-
Bullet Proof Vest Reimbursement Program	16.607	--	20,191	-
Subtotal Direct			<u>182,745</u>	<u>-</u>

**COUNTY OF MENDOCINO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	Pass-Through to Subrecipients
Passed through State Office of Emergency Services				
Victim Witness Assistance Program	16.575	ww17360230	\$ 45,548	\$ -
Victim Witness Assistance Program	16.575	ww17360230	138,607	-
Underserved Victim Advocacy and Outreach Program	16.575	XV15010230	150,807	134,098
Underserved Victim Advocacy and Outreach Program	16.575	UV19020230	58,577	28,751
Subtotal CFDA 16.575			<u>393,539</u>	<u>162,849</u>
Total U.S. Department of Justice			<u>\$ 576,284</u>	<u>\$ 162,849</u>
<u>U.S. Department of Transportation</u>				
Direct program:				
Airport Improvement Program	20.106	3-06-0056-007-2019	\$ 61,020	\$ -
Subtotal CFDA 20.106			<u>61,020</u>	<u>-</u>
Passed through State Department of Transportation:				
Highway Planning and Construction	20.205	BRLSZD 5910(102)	\$ 18,028	\$ -
Highway Planning and Construction	20.205	BRLSZD 5910(109)	26,654	-
Highway Planning and Construction	20.205	BRLRT 5910(041)	114,001	-
Highway Planning and Construction	20.205	BHLS 5910(081)	173,931	-
Highway Planning and Construction	20.205	BRLO 5910(096)	22,483	-
Highway Planning and Construction	20.205	BRLO 5910(077)	678,628	-
Highway Planning and Construction	20.205	BRLO 5910(076)	1,450,438	-
Highway Planning and Construction	20.205	BRLO 5910(085)	27,830	-
Highway Planning and Construction	20.205	BRLO 5910(091)	27,687	-
Highway Planning and Construction	20.205	BRLO 5910(093)	79,675	-
Highway Planning and Construction	20.205	BRLO 5910(099)	137,601	-
Highway Planning and Construction	20.205	BRLO 5910(100)	122,057	-
Highway Planning and Construction	20.205	BRLO 5910(106)	64,539	-
Highway Planning and Construction	20.205	BRLO 5910(110)	14,998	-
Highway Planning and Construction	20.205	BRLO 5910(111)	13,958	-
Highway Planning and Construction	20.205	BRLO 5910(112)	46,947	-
Highway Planning and Construction	20.205	BRLO 5910(113)	50,550	-
Highway Planning and Construction	20.206	BRLO 5910(115)	10,107	-
Highway Planning and Construction	20.205	ER 30R0(012)PR	319,990	-
Highway Planning and Construction	20.205	ER 32D0(007)PR	17,860	-
Highway Planning and Construction	20.205	ER 32D0(008)PR	35,487	-
Highway Planning and Construction	20.205	ER 32L0(029)PR	96	-
Highway Planning and Construction	20.205	ER 32L0(045)PR	144	-
Highway Planning and Construction	20.205	ER 32L0(076)PR	37,651	-
Highway Planning and Construction	20.205	ER 32L0(077)EO	47,963	-
Highway Planning and Construction	20.205	ER 32L0(078)PR	143,630	-
Highway Planning and Construction	20.205	ER 38F0(002)PR	4,103	-
Highway Planning and Construction	20.205	ER 38F0(008)PR	90,511	-
Highway Planning and Construction	20.205	ER 38F0(010)PR	4,829	-
Highway Planning and Construction	20.206	ER 40A0(038)PR	3,135	-
Highway Planning and Construction	20.207	ER 40A0(041)PR	2,817	-
Highway Planning and Construction	20.208	ER 40A0(044)PR	234,625	-
Subtotal CFDA 20.205			<u>4,022,953</u>	<u>-</u>
Passed through State Office of Traffic Safety				
Traffic Safety Program	20.600	DI198008	\$ 50,731	\$ 50,446
Total U.S. Department of Transportation			<u>\$ 4,134,704</u>	<u>\$ 50,446</u>
<u>U.S. Department of Health and Human Services</u>				
Direct programs:				
Immunization Grants	93.268	15-10146	\$ 49,073	\$ -
Drug Free Communities Support Program	93.276	5 SP018206-05	136,638	16,570
Subtotal Direct			<u>185,711</u>	<u>16,570</u>

**COUNTY OF MENDOCINO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	Pass-Through to Subrecipients
Passed through State Department of Mental Health:				
Projects for Assistance in Transition from Homelessness	93.150		\$ 18,087	\$ 18,087
Substance Abuse Mental Health Services Administration	93.958		164,058	146,584
Substance Abuse Mental Health Services Admin (GBHI) of Regional and National Significance	93.243		129,440	105,922
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5 H79SP019029-03	27,454	6,926
Subtotal CFDA 93.243			<u>156,894</u>	<u>112,848</u>
Passed through State Department of Child Support Services:				
Child Support Enforcement	93.563	--	1,623,652	-
Passed through State Department of Social Services:				
Temporary Assistance for Needy Families	93.558	--	5,278,787	-
Guardianship ASSISTANCE (KinGap IV-E Admin)	93.090	--	95,558	-
Foster Care – Title IV-E	93.658	--	7,891,757	-
Passed through State Department of Health Services:				
Foster Care - Title IV-E	93.658	--	<u>1,319,399</u>	<u>-</u>
Subtotal CFDA 93.658			<u>9,211,156</u>	<u>-</u>
Passed through State Department of Health Care Services:				
Promoting Safe and Stable Families	93.556	--	\$ 46,491	\$ -
Community Services Block Grant	93.569	--	783,429	-
Child Welfare Services - State Grants	93.645	--	140,601	-
Adoption Assistance Program	93.659	--	3,374,194	-
CWS Title XX	93.667	--	175,164	-
Independent Living Program	93.674	--	50,644	-
Maternal and Child Health Services	93.110	201323-MCAH	831,812	6,188
Maternal and Child Health Services - SIDS	93.110	201323-MCAH	3,000	-
Subtotal CFDA 93.110			<u>834,812</u>	<u>6,188</u>
Child Health and Disability Prevention Program	93.994		25,662	-
Health Care Program for Children in Foster Care	93.994		216,241	-
Health Care Program for Children in Foster Care Psychotropic Medication Management	93.994		44,967	-
Subtotal CFDA 93.994			<u>286,870</u>	<u>-</u>
Subtotal Passed through State Dept of Health Services			<u>5,692,205</u>	<u>6,188</u>
Medical Assistance Program - IHSS	93.778	--	\$ 2,091,264	\$ -
Medical Assistance Program - DHS Medi-Cal (Federal 50%)	93.778	--	3,140,017	-
Passed through State Department of Alcohol and Drug Abuse Programs:				
Federal Drug Medi-Cal	93.778	NNA23	67,886	-
Total - Medicaid Cluster			<u>5,299,167</u>	<u>-</u>
Block Grants for Prevention and Treatment of Substance Abuse Abuse (SAPT)	93.959	11 NNA-23	\$ 905,656	\$ -
Passed through State Department of Public Health:				
Public Health Emergency Preparedness	93.069	14-10518	\$ 148,311	\$ 6,460
Hospital Preparedness Program	93.889	14-10518	118,857	52,230
CDC - ELC Enhancing Detection Funding	93.521	COVID-19ELC23	36,685	-
Total Department of Health and Human Services			<u>\$ 28,934,784</u>	<u>\$ 358,967</u>

**COUNTY OF MENDOCINO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	Pass-Through to Subrecipients
<b><u>Federal Emergency Management Agency</u></b>				
Passed through State Office of Emergency Services:				
Public Assistance Grants	97.036	FEMA-4301-DR-CA, Cal OES ID: 045-00000	\$ 541,760	\$ -
Public Assistance Grants	97.036	FEMA-4305-DR-CA, Cal OES ID: 045-00000	1,705,631	-
Public Assistance Grants	97.036	FEMA-4434-DR-CA, Cal OES ID: 045-00000	36,459	-
Public Assistance Grants	97.036	FEMA-4344-DR-CA, Cal OES ID: 045-00000	428,173	-
Public Assistance Grants	97.036	FEMA-4353-DR-CA, Cal OES ID: 045-00000	19,835	-
Public Assistance Grants	97.036	FEMA-DR-4482, Cal OES ID: 045-00000	1,267,090	-
Subtotal CFDA 97.036			<u>3,998,948</u>	<u>-</u>
Hazard Mitigation Grant Program	97.039	FEMA-DR-4344, CalOES DR-4344-PJ0003	\$ 372,355	\$ 372,355
Hazard Mitigation Grant Program	97.039	FEMA-DR-4353, CalOES DR-4353-PL278	84,821	-
Hazard Mitigation Grant Program	97.039	FEMA-DR4353, CalOES DR-4353-PL280	17,921	-
Subtotal CFDA 97.039			<u>475,097</u>	<u>-</u>
Total Federal Emergency Management Agency			<u>\$ 4,474,045</u>	<u>\$ 372,355</u>
<b><u>U.S. Department of Homeland Security</u></b>				
Passed through California Emergency Management Agency:				
EMPG	97.042	--	\$ 117,372	\$ -
Total U.S. Department of Homeland Security			<u>\$ 117,372</u>	<u>\$ -</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 42,300,081</u>	<u>\$ 984,726</u>

**COUNTY OF MENDOCINO**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020

**NOTE 1: REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Mendocino (County). The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is prepared on a modified accrual basis. The information in this schedule is presented in accordance with the requirements of 2 CFR 1.200, *Audits of States, Local Governments, and Non-Profit Organizations*.

**NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

**NOTE 4: INDIRECT COST RATE**

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

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

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

**COUNTY OF MENDOCINO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2020**

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

**Financial Statements**

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

**Federal Awards**

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

***Identification of Major Federal Programs***

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
10.561	Suppl. Nutrition Assistance Program
93.658	Foster Care Title IV-E
93.563	Child Support Enforcement
93.778	Medical Assistance Program

- Dollar threshold used to distinguish between Type A and Type B programs: \$     1,269,082
- Auditee qualified as low-risk auditee?            yes     x     no

**COUNTY OF MENDOCINO**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020

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***Section II – Financial Statement Findings***

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**2020 – 001**

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

**Condition:** During our audit procedures over capital assets, CLA noted that construction in progress was overstated.

**Criteria or specific requirement:** Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP, and follow the County's capital asset policies as stated in note 1 to the financial statements.

**Context:** The County of Mendocino records construction in progress into their accounting system utilizing project numbers. When projects are placed into service the completed project is recorded into its appropriate depreciable capital asset category and depreciated over its estimated useful life.

**Effect:** The County had included expenses in construction in progress that were not considered to be capitalizable under the County's capital asset policy. As a result, construction in progress was overstated and the County recorded adjustments in the amount of \$1,197,577 in the current fiscal year and \$2,873,173 in the prior fiscal years to expense these items.

**Cause:** The County did not perform a thorough review of its detailed projects at year end to determine that each project and the expenses included were properly classified as construction in progress.

**Repeat Finding:** Not a repeat finding.

**Recommendation:** The County should develop year end closing procedures to include a detailed review of its individual projects and expenses for proper classification. Projects that are completed at June 30 should be transferred to depreciable assets to be depreciated over their estimated lives while projects that are expensed should be removed from the construction in progress listing.

**Views of responsible officials:** The County agrees that there were several projects that were in construction in progress that should have been removed when the department stopped reporting those projects due to those projects being abandoned or subsequently determined to not be subject to capitalization. There was confusion at the department level due to turn over in the positions reporting the construction in progress as well as a lack of follow through when reviewing the annual list of projects. The County will implement an improved education and reporting process with annual confirmations from departments regarding their construction in progress and project completions.



**COUNTY OF MENDOCINO**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020

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

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**2020 – 002**

Federal agency: U.S Department of Health and Human Services

Federal program title: Medical Assistance Program

CFDA Number: 93.778

Pass-Through Agency: California Department of Health Care Services

Award Period: July 1, 2019 – June 30, 2020

Type of Finding:

- Significant Deficiency in Internal Control over Compliance – Other Noncompliance

**Criteria or specific requirement:** The compliance supplement notes in section E part 1 that the agency is required to determine client eligibility in accordance with eligibility requirements defined in the approved State plan. Annual redeterminations are required as part of these eligibility requirements.

**Condition:** During eligibility compliance testing, four of forty case files selected documented eligibility redeterminations late or did not document a current eligibility determination during the fiscal year.

**Questioned costs:** None noted.

**Context:** CLA randomly selected forty casefiles to test eligibility compliance for Medical Assistance program. Sample was a statistically valid sample. CLA noted four of the forty casefiles were not in compliance as cases did not have current renewals performed or were performed well past the annual due date. Three of the four case delays appeared to be due to the Public Health Emergency. The state of California granted a waiver of compliance for delays due to the Public Health Emergency.

**Cause:** The cause for three of the four delayed cases in the noted finding is related to the Public Health Emergency.

**Effect:** The effect is that participants in the program are not having eligibility renewals completed could be receiving benefits for which they are no longer be eligible.

**Repeat Finding:** Repeat finding from prior year, finding 2019-001.

**Recommendation:** CLA recommends that the County focus on casefiles with due and overdue redeterminations to reduce backlog and become current with renewals.

**Views of responsible officials:** There is no disagreement with the audit finding.