

**COUNTY OF MENDOCINO
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2021**



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COUNTY OF MENDOCINO

Single Audit Report
Year Ended June 30, 2021

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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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 14, 2022. 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) as a basis for designing 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 deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 and 2021-002.

County of Mendocino's Response to Findings

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
July 14, 2022



**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, 2021. 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.

Basis for Qualified Opinion on Special Programs for the Coronavirus Relief Fund

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing Number 21.019 Coronavirus Relief Fund as described in finding number 2021-004 for Reporting. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinion on Special Programs for the Coronavirus Relief Fund

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Coronavirus Relief Fund for the year ended June 30, 2021.

Basis for Qualified Opinion on Epidemiology Laboratory Capacity

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing Number 93.323 Epidemiology Laboratory Capacity as described in finding number 2021-005 for Period of Performance. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinion on Epidemiology Laboratory Capacity

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Epidemiology Laboratory Capacity for the year ended June 30, 2021.

Unmodified Opinion on Each of the Other Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questions costs for the year ended June 30, 2021.

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 2021-003. 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-004 and 2021-005 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-003 and 2021-006 to be significant deficiencies.

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, 2021, and the related notes to the financial statements, which collectively comprise County of Mendocino's basic financial statements. We issued our report thereon dated July 14, 2022, 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
September 30, 2022

COUNTY OF MENDOCINO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing 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	\$ 25,215	\$ -
Sudden Oak Death	10.025	19-0267-024-SF	22,127	-
European Grapevine Moth Trapping	10.025	18-0619-020-SF	59,497	-
European Grapevine Moth Trapping	10.025	19-0994-010-SF	50,000	-
Light Brown Apple Moth Trapping	10.025	19-0268-004-SF	1,441	-
Light Brown Apple Moth Trapping	10.025	19-0268-031-SF	607	-
Pest Detection	10.025	19-0135	55,055	-
Subtotal Assistance Listing Number 10.025			<u>213,942</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	--	2,892,458	-
SNAP Ed CDPH-NEOP Branch Admin Costs	10.561	16-10152	141,532	31,761
Subtotal SNAP Cluster			<u>3,033,990</u>	<u>31,761</u>
Passed through State Department of Health Services:				
Nutrition Women, Infants, Children (WIC) (Base Program)				
Nutrition Women, Infants, Children (WIC) (Base Program)	10.557	15-10071	726,265	-
Nutrition Women, Infants, Children (WIC) (Breast Feeding Program)	10.557	15-10071	57,295	-
Subtotal Assistance Listing Number 10.557			<u>783,560</u>	<u>-</u>
Direct Program				
USDA Forest Service	10.788	--	3,050	-
Total U.S. Department of Agriculture			<u>\$ 4,034,542</u>	<u>\$ 31,761</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	\$ 157,720	\$ -
Subtotal Economic Development Cluster			<u>157,720</u>	<u>-</u>
Total U.S. Department of Commerce			<u>\$ 157,720</u>	<u>\$ -</u>
<u>U.S. Elections Administration Commission</u>				
Passed through Secretary of State of California				
Help America Vote Act	90.404	20G26123	\$ 173,426	\$ -
Total U.S. Elections Administration Commission			<u>\$ 173,426</u>	<u>\$ -</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed Through State Dept of Housing & Community Devlpmt:				
Community Development Block Grants (CDBG)	14.228	--	\$ 235,754	\$ -
Homeless management Information Systems (HMIS)	14.267	--	47,107	-
Total U.S. Department Housing and Urban Development			<u>\$ 282,861</u>	<u>\$ -</u>
<u>U.S. Department of Interior</u>				
Direct programs:				
Federal grazing Fee	15.000	10-95348	\$ 1,440	\$ -
Total U.S. Department of Interior			<u>\$ 1,440</u>	<u>\$ -</u>
<u>U.S. Department of Justice</u>				
Direct programs:				
Domestic Cannabis Eradication & Suppression Program	16.000	--	\$ 108,019	\$ -
Coronavirus Emergency Supplemental Funding Program	16.034	--	44,940	-
Bullet Proof Vest Reimbursement Program	16.607	--	8,474	-
Byrne Justice Assistance Grant Program	16.738	--	17,448	-
Mental Health Training Program	16.738	--	4,590	-
Subtotal Assistance Listing Number 16.738			<u>22,038</u>	<u>-</u>
Mendocino County JMHP Project	16.745	--	8,098	2,375
Subtotal Direct			<u>191,569</u>	<u>2,375</u>

COUNTY OF MENDOCINO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing 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	VW18370230	70,489	-
Victim Witness Assistance Program	16.575	VW19380230	168,029	-
Underserved Victim Advocacy and Outreach Program	16.575	XV15010230	79,738	40,059
Underserved Victim Advocacy and Outreach Program	16.575	UV19020230	49,850	19,812
Subtotal Assistance Listing Number 16.575			368,106	59,871
Total U.S. Department of Justice			\$ 559,675	\$ 62,246
<u>U.S. Department of Transportation</u>				
Direct program:				
Airport Improvement Program	20.106	3-06-0056-007-2019	\$ 547,085	\$ -
Airport Improvement Program	20.106	3-06-0056-007-2019	42,165	-
Subtotal Assistance Listing Number 20.106			589,250	-
Passed through State Department of Transportation:				
Highway Planning and Construction	20.205	BRLSZZ 5910(102)	26,004	-
Highway Planning and Construction	20.205	BRLSZZ 5910(109)	6,000	-
Highway Planning and Construction	20.205	BRLRT 5910(041)	92,921	-
Highway Planning and Construction	20.205	BHLS 5910(081)	125,780	-
Highway Planning and Construction	20.205	BRLO 5910(096)	12,446	-
Highway Planning and Construction	20.205	BRLO 5910(076)	536,204	-
Highway Planning and Construction	20.205	BRLO 5910(084)	61,870	-
Highway Planning and Construction	20.205	BRLO 5910(085)	82,508	-
Highway Planning and Construction	20.205	BRLO 5910(091)	57,101	-
Highway Planning and Construction	20.205	BRLO 5910(093)	1,615,659	-
Highway Planning and Construction	20.205	BRLO 5910(099)	105,833	-
Highway Planning and Construction	20.205	BRLO 5910(100)	221,075	-
Highway Planning and Construction	20.205	BRLO 5910(106)	147,959	-
Highway Planning and Construction	20.205	BRLO 5910(110)	16,578	-
Highway Planning and Construction	20.205	BRLO 5910(111)	58,057	-
Highway Planning and Construction	20.205	BRLO 5910(112)	87,833	-
Highway Planning and Construction	20.205	BRLO 5910(113)	36,821	-
Highway Planning and Construction	20.205	BRLO 5910(115)	8,851	-
Highway Planning and Construction	20.205	ER 30R0(012)PR	1,681	-
Highway Planning and Construction	20.205	ER 32D0(007)PR	40,533	-
Highway Planning and Construction	20.205	ER 32D0(008)PR	54,414	-
Highway Planning and Construction	20.205	ER 32L0(029)PR	10,108	-
Highway Planning and Construction	20.205	ER 32L0(045)PR	94,828	-
Highway Planning and Construction	20.205	ER 32L0(076)PR	7,459	-
Highway Planning and Construction	20.205	ER 32L0(078)PR	3,907	-
Highway Planning and Construction	20.205	ER 38F0(001)PR	13,655	-
Highway Planning and Construction	20.205	ER 38F0(002)PR	34,943	-
Highway Planning and Construction	20.205	ER 38F0(003)PR	8,545	-
Highway Planning and Construction	20.205	ER 38F0(010)PR	5,178	-
Highway Planning and Construction	20.205	ER 40A0(038)PR	11,116	-
Highway Planning and Construction	20.205	ER 40A0(041)PR	46,377	-
Highway Planning and Construction	20.205	ER 40A0(042)PR	40,489	-
Highway Planning and Construction	20.205	ER 40A0(043)PR	11,721	-
Highway Planning and Construction	20.205	ER 40A0(044)PR	14,069	-
Subtotal Highway Planning and Construction Cluster			3,698,523	-
Passed through State Office of Traffic Safety				
Traffic Safety Program	20.600	D1198008	36,103	36,103
Subtotal Highway Safety Cluster			36,103	36,103
Total U.S. Department of Transportation			\$ 4,323,876	\$ 36,103
<u>U.S. Department of Treasury</u>				
Passed through the State Department of Finance:				
COVID 19 - Coronavirus Relief Fund - Homekey	21.019	21-Unknown	\$ 8,325,500	\$ -
COVID 19 - Coronavirus Relief Fund	21.019	21-Unknown	8,966,905	-
Total U.S. Department of Treasury			\$ 17,292,405	\$ -

COUNTY OF MENDOCINO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Health and Human Services				
Direct program:				
Drug Free Communities Support Program	93.276	5 SP018206-05	\$ 210,907	\$ 31,642
Passed through State Department of Public Health:				
Immunization Grants	93.268	15-10146	105,431	-
Passed through State Department of Mental Health:				
Projects for Assistance in Transition from Homelessness	93.150	--	16,213	16,213
Substance Abuse Mental Health Services Administration	93.958	--	152,300	137,132
Substance Abuse Mental Health Services Admin (GBHI) of Regional and National Significance	93.243		270,792	125,965
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5 H79SP019029-03	11,491	3,975
Subtotal Assistance Listing Number 93.243			<u>282,283</u>	<u>129,940</u>
Passed through State Department of Child Support Services:				
Child Support Enforcement	93.563	--	1,511,595	-
Passed through State Department of Social Services:				
Temporary Assistance for Needy Families	93.558	--	<u>6,280,833</u>	-
Subtotal TANF Cluster			<u>6,280,833</u>	-
Guardianship ASSISTANCE (KinGap IV-E Admin)	93.090	--	176,572	-
Foster Care – Title IV-E	93.658	--	8,586,623	-
Passed through State Department of Health Care Services:				
Foster Care - Title IV-E	93.658	--	<u>987,362</u>	-
Subtotal Assistance Listing Number 93.658			<u>9,573,985</u>	-
Passed through State Department of Health Care Services:				
Promoting Safe and Stable Families	93.556	--	17,433	-
Community Services Block Grant	93.569	--	823,478	-
Child Welfare Services - State Grants	93.645	--	122,987	-
Adoption Assistance Program	93.659	--	3,633,468	-
CWS Title XX	93.667	--	58,388	-
Independent Living Program	93.674	--	53,174	-
Maternal and Child Health Services	93.110	201623-MCAH	258,240	-
Maternal and Child Health Services - SIDS	93.110	201623-MCAH	3,000	-
Subtotal Assistance Listing Number 93.110			<u>261,240</u>	-
COVID-19 ELC Enhancing Detection Expansion Funding*	93.323	COVID-19ELC81	1,492,335	-
COVID-19 ELC Enhancing Detection Expansion Funding*	93.323	COVID-19ELC23	1,069,335	-
Child Health and Disability Prevention Program	93.994	--	15,653	-
Health Care Program for Children in Foster Care	93.994	--	144,650	-
Case Load Relief for HCPCFC	93.994	--	66,946	-
Health Care Program for Children in Foster Care Psychotropic Medication Management	93.994	--	35,164	-
Subtotal Assistance Listing Number 93.994			<u>262,413</u>	-
Subtotal Passed through State Dept of Health Services			<u>8,781,613</u>	-
Medical Assistance Program - IHSS	93.778	--	2,069,583	-
Medical Assistance Program - DHS Medi-Cal (Federal 50%)	93.778	--	2,810,076	-
Passed through State Department of Alcohol and Drug Abuse Programs:				
Federal Drug Medi-Cal	93.778	NNA23	<u>362,912</u>	-
Total - Medicaid Cluster			<u>5,242,571</u>	-
Block Grants for Prevention and Treatment of Substance Abuse Abuse (SABG)	93.959	11 NNA-23	826,780	-
Passed through State Department of Public Health:				
Public Health Emergency Preparedness	93.069	14-10518	100,062	-
Hospital Preparedness Program	93.889	14-10518	105,805	-

COUNTY OF MENDOCINO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures	Pass-Through to Subrecipients
Passed through Heluna Health:				
ELC Cares (Project CK19-1904)*	93.323	Program #0187.2780	101,314	-
*Subtotal Assistance Listing Number 93.323 (\$2,662,984)				
Passed through NACCHO:				
Building Workforce Capacity of Rural and Frontier Local Health Departments	93.421	2021-062505	26,250	-
Total Department of Health and Human Services			<u>\$ 32,507,152</u>	<u>\$ 314,927</u>
Federal Emergency Management Agency				
Passed through State Office of Emergency Services:				
Public Assistance Grants	97.036	FEMA-4301-DR-CA, Cal OES ID: 045-00000	\$ 506,281	\$ -
Public Assistance Grants	97.036	FEMA-4305-DR-CA, Cal OES ID: 045-00000	997,884	-
Public Assistance Grants	97.036	FEMA-4434-DR-CA, Cal OES ID: 045-00000	52,985	-
Public Assistance Grants	97.036	FEMA-4344-DR-CA, Cal OES ID: 045-00000	873,678	-
Public Assistance Grants	97.036	FEMA-DR-4482, Cal OES ID: 045-00000	326,395	-
Public Assistance Grants	97.036	FEMA-DR-4482, Cal OES ID: 045-00000	3,789,268	-
Public Assistance Grants	97.036	FEMA-DR-4558, Cal OES ID: 045-00000	66,746	-
Public Assistance Grants	97.036	FEMA-DR-4569, Cal OES ID: 045-00000	66,203	-
Subtotal Assistance Listing Number 97.036			<u>6,679,440</u>	<u>-</u>
Hazard Mitigation Grant Program	97.039	FEMA-DR-4344, CalOES DR-4344-361-007	611,358	-
Hazard Mitigation Grant Program	97.039	FEMA-DR-4353, CalOES DR-4353-PJ03306	46,470	-
Hazard Mitigation Grant Program	97.039	FEMA-DR4353, CalOES DR-4353-PL278	81,796	-
Hazard Mitigation Grant Program	97.039	FEMA-DR4353, CalOES DR-4353-PL280	67,265	-
Subtotal Assistance Listing Number 97.039			<u>806,889</u>	<u>-</u>
Total Federal Emergency Management Agency			<u>\$ 7,486,329</u>	<u>\$ -</u>
U.S. Department of Homeland Security				
Passed through California Emergency Management Agency:				
EMPG	97.042	--	\$ 155,285	\$ -
Homeland Security Grant Program (HSPG)	97.067	--	322,046	-
Total U.S. Department of Homeland Security			<u>\$ 477,331</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 67,296,757</u>	<u>\$ 445,037</u>

COUNTY OF MENDOCINO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

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 the Uniform Guidance.

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, 2021

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? yes no
 - Significant deficiency(ies) identified? yes none reported
3. Noncompliance material to financial statements noted? yes no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
2. Type of auditors’ report issued on compliance for major federal programs: Qualified for 93.323 Epidemiology Laboratory Capacity and 21.019 Coronavirus Relief Fund; unmodified for all other major programs
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction Cluster
21.019	COVID-19 Coronavirus Relief Fund
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.778	Medical Assistance Program
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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

\$ 2,018,903

Auditee qualified as low-risk auditee? yes no

COUNTY OF MENDOCINO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section II – Financial Statement Findings

2021 – 001 Grant Receivables

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During our audit procedures over accounts receivable, CLA noted that grant receivables for the COVID-19 Disaster Grants – Public Assistance (Presidentially Declared Disasters) program were 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 that receivables and revenue are only recognized once all necessary criteria are met.

Effect: An adjustment of \$4,231,294 was necessary to reduce the amount of revenues and receivables recorded in the period.

Cause: The County accrued revenue for the Great Plates Project for COVID-19 Disaster Grants – Public Assistance (Presidentially Declared Disasters) program without having received an obligation to pay letter from FEMA.

Repeat Finding: Not a repeat finding.

Recommendation: The County should develop procedures for the COVID-19 Disaster Grants – Public Assistance (Presidentially Declared Disasters) program that ensure that revenues and receivables are only recognized after all applicable criteria are met.

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

COUNTY OF MENDOCINO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section II – Financial Statement Findings (Continued)

2021 – 002 SEFA Adjustments

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During our review of the preliminary SEFA and testing over the major programs, we noted that it was necessary to record material adjustments to the SEFA for the following programs: Coronavirus Relief Fund increased \$8,325,500, Epidemiology Laboratory Capacity for Infectious Diseases decreased \$1,302,958 and FEMA Disaster Grants decreased \$3,673,517. The County's total federal expenditures reported on the SEFA were increased by \$3,349,025.

Criteria or specific requirement: The Auditee's responsibility per the Uniform Guidance, Section 200.508 Part B, is to "prepare appropriate financial statements, including the Schedule of Expenditures of Awards". This includes determining the correct amount of expenditures that need to be reported for the Schedule of Expenditures of Federal Awards.

The SEFA, while not part of the Basic Financial Statements, is audited in relation to the basic financial statements, in accordance with the requirements of the Uniform Guidance. The Uniform Guidance requires auditors to determine major programs and perform risk assessments based on information reported on the SEFA.

Effect: The County's total federal expenditures reported on the SEFA were increased by \$3,349,025.

Cause: Coronavirus Relief Fund, Epidemiology Laboratory Capacity for Infectious Diseases, and FEMA Disaster Grants funding were related to COVID-19. There were new grant requirements that the County did not adequately understand. The County also had high turnover. The new employees lacked the knowledge or guidance on the grant requirements.

Repeat Finding: Not a repeat finding.

Recommendation: We recommend the County provides additional training to the departments to understand grant requirements. As well as increasing the year end training related to compiling the federal expenditures that will be reported on the SEFA.

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

COUNTY OF MENDOCINO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section III – Findings and Questioned Costs – Major Federal Programs

2021 – 003

Federal agency: U.S Department of Health and Human Services
Federal program title: Medical Assistance Program
ALN Number: 93.778
Pass-Through Agency: California Department of Health Care Services
Award Period: July 1, 2020 – June 30, 2021
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.

Condition: During our audit procedures over eligibility, we found that in some cases not all requirements necessary to determine eligibility had been documented and completed before granting benefits.

Questioned costs: None noted.

Context: CLA randomly selected forty casefiles to test eligibility compliance for Medical Assistance program in a statistically valid sample. CLA noted four of the forty casefiles were not in compliance as three cases did not have the IEVS form required by the State and one case did not contain documentation of immigration status.

Cause: IEVS reports and immigration documentation were not obtained prior to granting benefits.

Effect: Participants received benefits without having met all necessary requirements to make an eligibility determination.

Repeat Finding: Not a repeat finding.

Recommendation: CLA recommends that the County develop procedures to ensure that all participants casefiles are reviewed yearly to make certain that all eligibility criteria has been met and documented.

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

COUNTY OF MENDOCINO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2021 – 004

Federal agency: U.S Department of the Treasury Federal

program title: COVID-19 Coronavirus Relief Fund

ALN Number: 21.019

Pass-Through Agency: None

Award Period: July 1, 2020 – June 30, 2021

Type of Finding:

- Material Weakness in Internal Control over Compliance – Material Noncompliance

Criteria or specific requirement: Each prime recipient of the Coronavirus Relief Fund shall provide a quarterly Financial Progress Report that contains COVID-19 related costs incurred during the covered period to Treasury OIG. Each prime recipient shall report this quarterly information mentioned above into the portal for the program. The prime recipient's quarterly Financial Progress Report submissions should be supported by the data in the prime recipient's accounting system.

Condition: Audit procedures could not be performed over reporting compliance because records of reports submitted were not retained.

Questioned costs: None noted.

Context: The program files quarterly reports four times a year. None of the reports filed during the fiscal year were retained.

Cause: Records of reports filed for the program were not retained and as a result compliance testing could not be performed.

Effect: Compliance with the reporting requirement for the program could not be verified.

Repeat Finding: Not a repeat finding.

Recommendation: CLA recommends that County implement procedures to ensure that any reports filed for the grant program are retained.

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

COUNTY OF MENDOCINO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2021 – 005

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

Federal program title: Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

ALN Number: 93.323

Pass-Through Agency: State Department of Health and Human Services

Award Period: July 1, 2020 – June 30, 2021

Type of Finding:

- Material Weakness in Internal Control over Compliance – Material Noncompliance

Criteria or specific requirement: Expenditures are incurred during allowable period. Funding for ELC Enhancing Detection Expansion is covered for the period beginning January 15, 2021 through July 31, 2023.

Condition: During our audit procedures over Period of Performance we found that in some cases expenditures were being charged to ELC Enhancing Detection Expansion from outside the covered grant period.

Questioned costs: Known questioned costs were \$14,204. Likely questioned costs are estimated to be \$193,000.

Context: CLA randomly selected forty non payroll transactions to test compliance with the ELC Enhancing Detection Expansion grant agreement. CLA noted four of the forty selections were incurred before the grant start date of January 15, 2021.

Cause: Program is new and procedures weren't fully established to allow prevention of noncompliance.

Effect: Costs were charged to the grant outside of the allowable period.

Repeat Finding: Not a repeat finding.

Recommendation: CLA recommends that the County develop procedures to ensure that program staff are knowledgeable on program requirements and transactions are being reviewed based on funding requirements.

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

COUNTY OF MENDOCINO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2021 – 006

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

Federal program title: Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

ALN Number: 93.323

Pass-Through Agency: State Department of Health and Human Services

Award Period: July 1, 2020 – June 30, 2021

Type of Finding:

- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: Payroll expenditures are prepared and submitted by employees and independently reviewed by supervisor as part of the program's internal controls.

Condition: During our audit procedures over payroll disbursements we found that in some cases timesheets were submitted by the supervisors for employees which doesn't allow for the segregation of duties necessary for an independent review of the timesheets.

Questioned costs: None noted.

Context: CLA randomly selected 40 payroll disbursements to test based on allowable costs for the ELC grant. CLA noted that 9 transactions of the 40 were submitted by the supervisor and not the employee.

Cause: The program is new and procedures weren't fully established.

Effect: Payroll charged to the grant wasn't processed in accordance with internal control policies.

Repeat Finding: Not a repeat finding.

Recommendation: CLA recommends that the County require employees to prepare and submit their own timecards allowing supervisors to perform an independent review.

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



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