

COUNTY OF NEVADA
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2021



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COUNTY OF NEVADA

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 and Grand Jury
County of Nevada
Nevada City, 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, each major fund, and the aggregate remaining fund information of the County of Nevada (the County), 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 February 22, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County of Nevada's Response to Findings

The County of Nevada's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The County of Nevada'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 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
February 22, 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 REQUIRED BY THE UNIFORM GUIDANCE

Board of Supervisors and Grand Jury
County of Nevada
Nevada City, California

Report on Compliance for Each Major Federal Program

We have audited the County of Nevada's (the County) compliance with the types of compliance requirements described 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, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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 the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations (CFR) 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 the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

Subsequent to the issuance of our 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 Uniform Guidance dated June 15, 2022, the County determined it had excluded all expenditures under assistance listing number 20.509 - Federal Transit Administration (FTA) Program. This report replaces our previously issued report dated June 15, 2022.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

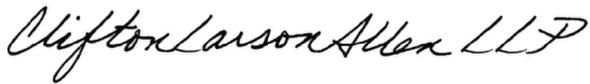
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County 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. We issued our report thereon dated February 22, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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.

Supplementary Schedules

The supplementary schedules of the California Emergency Management Agency and the Board of State and Community Corrections Grants and Department of Community Services and Development have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



CliftonLarsonAllen LLP

Roseville, California

June 15, 2022, except for the schedule of expenditures of federal awards and the major program with assistance listing number 20.509 for which the date is July 28, 2023

COUNTY OF NEVADA

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures	Passed through to Subrecipients
<u>U.S. Department of Agriculture</u>				
Direct Program:				
Cooperative Forestry Assistance: Controlled Substance	10.664	17-LE-1105-1360-018	\$ 2,645	\$ --
Cooperative Forestry Assistance: High Country Patrol	10.664	17-LE-1105-1360-018	2,583	--
Subtotal Assistance Listing Number 10.664			<u>5,228</u>	<u>--</u>
Passed through California Department of Food and Agriculture:				
Plant & Animal Disease, Pest Control: European Grapevine Moth	10.025	19-0994-016-SF	3,540	--
Plant & Animal Disease, Pest Control: European Grapevine Moth	10.025	20-1036-018-SF	4,247	--
Plant & Animal Disease, Pest Control: Light Brown Apple Moth Detection	10.025	20-0270-014-SF	5,094	--
Plant & Animal Disease, Pest Control: Pest Detection	10.025	20-0172	36,624	--
Plant & Animal Disease, Pest Control: Sudden Oak Death	10.025	20-0506-034-SF	81	--
Subtotal Assistance Listing Number 10.025			<u>49,586</u>	<u>--</u>
Passed through CA Department of Public Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children Infants, and Children	10.557	19-10166 A02	755,333	--
Nutrition Education and Obesity Prevention	10.561	19-10359	102,435	53,935
Passed through the California Department of Public Health:				
CalFresh Admin	10.561	--	1,762,032	--
Subtotal Assistance Listing Number 10.561 - SNAP cluster			<u>1,864,467</u>	<u>53,935</u>
Passed through the CA State Controller's Office:				
Schools and Roads Forest Reserve	10.665	2000358A	106,203	--
Total U.S. Department of Agriculture			<u>\$ 2,780,817</u>	<u>\$ 53,935</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Program:				
Continuum of Care Program: Home Anew	14.267	CA1262L9T151804	58,576	48,202
Continuum of Care Program: Winter's Haven	14.267	CA0978L9T151804	13,588	13,588
Subtotal Assistance Listing Number 14.267			<u>72,164</u>	<u>61,790</u>
Passed through the State Department of Housing and Community Development:				
Community Development Block Grant Program	14.228	Outstanding Loans	690,692	--
Community Development Block Grant Program: CDBG	14.228	17-CDBG-12025	854,259	218,395
Community Development Block Grant Program: CDBG CV1	14.228	CDBG-CV1	41,500	--
Subtotal Assistance Listing Number 14.228			<u>1,586,451</u>	<u>218,395</u>
Home Investment Partnership Program	14.239	Outstanding Loans	3,264,915	--
Passed through the California Department of Public Health:				
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	19-10518	42,369	--
COVID-19 Housing Opportunities for Persons with AIDS (HOPWA) - CARES	14.241	19-11099	21,661	--
Subtotal Assistance Listing Number 14.241			<u>64,030</u>	<u>--</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 4,987,560</u>	<u>\$ 280,185</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

COUNTY OF NEVADA

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures	Passed through to Subrecipients
<u>U.S. Department of Justice</u>				
Direct Programs:				
Domestic Cannabis Eradication/Suppression Program	16.001	2020-30	30,492	--
Domestic Cannabis Eradication/Suppression Program	16.001	2021-31	6,665	--
Subtotal Assistance Listing Number 16.001			<u>37,157</u>	<u>--</u>
Justice and Mental Health Grant	16.745	2018-MH-BC-0018	151,543	79,933
Passed through the California Office of Emergency Services:				
Victim Service Program	16.575	XC19020290	86,395	50,853
Victim Services Program	16.575	XC20030290	74,297	47,676
Victim-Witness Assistance Program	16.575	VW19330290	93,976	--
Victim Witness Assistance Program	16.575	VW20340290	194,499	--
Subtotal Assistance Listing Number 16.575			<u>449,167</u>	<u>98,529</u>
Total U.S. Department of Justice			<u>\$ 637,867</u>	<u>\$ 178,462</u>
<u>U.S. Department of Transportation</u>				
Passed through Federal Aviation Administration:				
Airport Improvement Program	20.106	3-06-0095-019-2017	90,823	--
Airport Improvement Program	20.106	3-06-0095-020-2018	1,862	--
Subtotal Assistance Listing Number 20.106			<u>92,685</u>	<u>--</u>
Passed through California Department of Transportation:				
Highway Planning and Construction	20.205	BRLO-5917(084)	162,677	--
Highway Planning and Construction	20.205	BRLO-5917(092)	207,465	--
Highway Planning and Construction	20.205	BRLO-5917(097)	112,729	--
Highway Planning and Construction	20.205	BRLO-5917(078)	171,770	--
Highway Planning and Construction	20.205	HSIPL-5917(102)	179,376	--
Highway Planning and Construction	20.205	BRLO 5917(079)	318,006	--
Highway Planning and Construction	20.205	HSIPL-5917(103)	934,564	--
Highway Planning and Construction	20.205	CML-5917(104)	107,994	--
Highway Planning and Construction	20.205	HPIL-5917(106)	189,340	--
Subtotal Assistance Listing Number 20.205 - Highway Planning and Construction Cluster			<u>2,383,921</u>	<u>--</u>
FTA Section 5311	20.509	64BO20-01417	497,313	--
COVID-19 FTA Section CARES ACT	20.509	64VO20-01310	826,475	--
Subtotal Assistance Listing Number 20.509			<u>1,323,788</u>	<u>--</u>
Total U.S. Department of Transportation			<u>\$ 3,800,394</u>	<u>\$ --</u>
<u>U.S. Department of Treasury</u>				
Direct Programs:				
COVID-19 Coronavirus Local Fiscal Recovery Funds	21.027	--	287,800	--
Passed through the California Department of Finance:				
COVID-19 Coronavirus Relief Fund	21.019	--	10,026,714	470,000
Passed through the California Department of Housing and Community Development:				
COVID-19 Coronavirus Relief Fund: Homekey Grant	21.019	20-HK-00072	2,362,371	--
Subtotal Assistance Listing Number 21.019 - Coronavirus Relief Fund			<u>12,389,085</u>	<u>470,000</u>
Total U.S. Department of Treasury			<u>\$ 12,676,885</u>	<u>\$ 470,000</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

COUNTY OF NEVADA

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures	Passed through to Subrecipients
<u>U.S. National Endowment for the Arts</u>				
Passed through the Arts Midwest:				
Big Read Program	45.024	24107	25,780	--
Big Read Program	45.024	--	24,899	--
Total U.S National Endowment for the Arts			\$ 50,679	\$ --
<u>U.S. Institute of Museum and Library Services</u>				
Passed through the California State Library				
Federal Library Services And Technology Act (LSTA)	45.310	LS-00-18-0005-18	392	--
Federal Library Services And Technology Act (LSTA)	45.310	LS-00-18-0005-19	27,705	--
Federal Library Services And Technology Act (LSTA)	45.310	--	10,158	--
Total U.S Institute of Museum and Library Services			\$ 38,255	\$ --
<u>U.S. Department of Health and Human Services</u>				
Direct Program:				
Rural Health Opioids Program	93.912	1H1URH32367-01-00	106,515	50,838
SAMHSA Drug Court Expansion	93.243	--	164,679	-
Passed through the Substance Abuse and Mental Health Services				
Grants for the Benefit of Homeless Individuals	93.243	17TI80596A	276,780	150,818
Subtotal Assistance Listing Number 93.243			441,459	150,818
Passed through State Department of Social Services:				
KinGap IV-E	93.090	--	1,118	--
Promoting Safe and Stable Families	93.556	--	29,129	25,000
CalWORKS CEC programs-Non SA	93.558	--	1,367,717	638,571
CalWORKS CEC programs-SA	93.558	--	2,867,448	896,705
CWS TANF	93.558	--	233,740	--
Fed-GAP	93.558	--	30,928	--
Fed-GAP FFCRA	93.558	--	3,562	--
CalWORKS Kin-Gap	93.558	--	11,409	--
CalWORKS Kin-Gap FFCRA	93.558	--	1,354	--
CalWORKS All Families/Zero Parent	93.558	--	587,773	--
Subtotal Assistance Listing Number 93.558 - TANF Cluster			5,103,931	1,535,276
Community Based Child Abuse Prevention	93.590	--	28,617	20,000
CWS - IV-B	93.645	--	27,632	--
CCR CPD	93.658	--	769	--
CCR CWD	93.658	--	65,855	--
CSEC	93.658	--	3,168	--
CWS IV-E	93.658	--	473,574	74,461
ECCB	93.658	--	10,400	--
Foster Care	93.658	--	56,020	--
Non CWS Allocation	93.658	--	95,042	--
Prob IV-E & GHMV PT	93.658	--	121,684	--
Foster Care Assistance	93.658	--	564,945	--
Foster Care Assistance FFCRA	93.658	--	53,929	--
Foster Care Assistance EFC	93.658	--	46,524	--
Foster Care Assistance EFC FFCRA	93.658	--	5,339	--
Foster Care Assistance EA	93.658	--	149,248	--
Subtotal Assistance Listing Number 93.658			1,646,497	74,461

See accompanying notes to Schedule of Expenditures of Federal Awards

COUNTY OF NEVADA

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures	Passed through to Subrecipients
Passed through State Department of Social Services (Continued):				
Adoption Assistance	93.659	--	1,429,047	--
Adoption Assistance FFCRA	93.659	--	161,190	--
Adoption Assistance - Elig	93.659	--	75,122	--
Adoption Assistance - SS	93.659	--	20,194	--
Subtotal Assistance Listing Number 93.659			<u>1,685,553</u>	<u>--</u>
In-Home Supportive Services IHSS Admin	93.667	--	465,345	--
CSW Title XX	93.667	--	44,250	--
Subtotal Assistance Listing Number 93.667			<u>509,595</u>	<u>--</u>
ILP	93.674	--	25,127	25,127
Passed through CA Department of Public Health:				
Public Health Emergency Preparedness	93.069	17-10177	140,763	--
TB Real Time Allotment	93.116	--	3,270	--
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	20-10534	6,253	--
Immunization Cooperative Agreements	93.268	17-10335 A01	95,888	--
COVID-19 ELC Enhanced Detection	93.323	COVID 19ELC29	85,244	--
COVID-19 ELC Expansion	93.323	COVID 19ELC87	200,046	--
Subtotal Assistance Listing Number 93.323 part 1			<u>285,290</u>	<u>--</u>
COVID-19 PHEP COVID Supplemental	93.354	COVID 19-2901	346,144	--
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	19-29	180,520	178,740
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	20-29	499,699	494,612
			<u>680,219</u>	<u>673,352</u>
National Bioterrorism Hospital Preparedness Program: HPP	93.889	17-10177	149,058	--
HIV Care Formula Grants	93.917	18-10879	51,245	--
HIV Care Formula Grants	93.917	19-11107	10,589	--
Subtotal Assistance Listing Number 93.917			<u>61,834</u>	<u>--</u>
Maternal and Child Health Services Block Grant	93.994	202029	144,196	10,000

See accompanying notes to Schedule of Expenditures of Federal Awards

COUNTY OF NEVADA

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures	Passed through to Subrecipients
U.S. Department of Health and Human Services (continued)				
Passed through the California Department of Health Care Services:				
Assistance for Transition from Homelessness Grant (PATH)	93.150	--	13,504	13,504
Medical Assistance Program: MAA	93.778	20-10014	752,803	--
Medical Assistance Program: MAA Admin Activities	93.778	20-10014	38,288	--
Medical Assistance Program: CCS Admin	93.778	--	216,402	--
Medical Assistance Program: CHDP	93.778	--	9,619	--
Medical Assistance Program: HCPCFC	93.778	--	214,893	--
Medical Assistance Program: MAA Admin	93.778	CEC-29-2020	1,795,880	--
Subtotal Assistance Listing Number 93.778 - Medicaid Cluster			<u>3,027,885</u>	<u>--</u>
Community Mental Health Services Block	93.958	--	276,166	117,962
Substance Abuse Prevention and Treatment	93.959	17-94146	689,903	359,869
Passed through the California Department of Child Support Services:				
Child Support Enforcement	93.563		1,557,146	--
Passed through the California Department of Community Services and Development:				
Community Services Block Grant	93.569	20F-3029	253,344	120,440
Community Services Block Grant	93.569	20F-3668	82,133	18,454
Community Services Block Grant	93.569	21F-4029	126,802	--
Subtotal Assistance Listing Number 93.569			<u>462,279</u>	<u>138,894</u>
Passed through California Family Health Council, Inc.:				
Family Planning Services	93.217	9903-5320-71219-19-20	142,779	--
Family Planning Services	93.217	9903-5320-71219-20-21	114,672	--
Family Planning Services	93.217	9903-5320-71219-20-21	28,107	--
Subtotal Assistance Listing Number 93.217			<u>285,558</u>	<u>--</u>
Passed through Heluna Health:				
COVID-19 ELC CARES	93.323	--	131,613	--
Subtotal Assistance Listing Number 93.323 part 2			<u>416,903</u>	<u>--</u>
Passed through the Tahoe Truckee Community Foundation				
Drug Free Communities	93.276	--	36,498	--
Passed through the UCLA Biomedical Library				
Medical Library Assistance	93.879	--	19,718	--
Total U.S. Department of Health and Human Services			<u>\$ 18,018,358</u>	<u>\$ 3,195,101</u>
U.S. Department of Homeland Security				
Passed through State Office of Emergency Services:				
Emergency Management Performance Grants	97.042	2020-0006	67,265	--
COVID-19 Emergency Management Performance Grant: COVID-Supplement	97.042	2020-0019	63,190	--
Subtotal Assistance Listing Number 97.042			<u>130,455</u>	<u>--</u>
Homeland Security Grant Program	97.067	2017-0083	32,607	--
Homeland Security Grant Program	97.067	2018-0054	93,081	--
Homeland Security Grant Program	97.067	2019-0035	8,608	--
Subtotal Assistance Listing Number 97.067			<u>134,296</u>	<u>--</u>
Total U.S. Department of Homeland Security			<u>\$ 264,751</u>	<u>\$ --</u>
Total Expenditures of Federal Awards			<u>\$ 43,255,566</u>	<u>\$ 4,177,683</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

COUNTY OF NEVADA

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 (SEFA) presents the activity of all federal awards programs of the County of Nevada (the 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 includes the federal grant activity of the County and is presented based on accounting principles generally accepted in the United States of America. For program expenditures accounted for in governmental funds, the modified accrual basis of accounting is used and for program expenditures accounted for in proprietary funds, the accrual basis of accounting is used. Such expenditures are recognized following the cost principles contained in the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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 and grant revenue in the Enterprise funds.

NOTE 4: **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 either determined that no identifying number is assigned for the program or was simply unable to obtain an identifying number from the pass-through entity.

NOTE 5: **INDIRECT COST RATE**

The County has elected not to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

COUNTY OF NEVADA

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

NOTE 6: LOANS WITH CONTINUING COMPLIANCE REQUIREMENT

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2021 as follows:

<u>Federal Assistance Listing Number</u>	<u>Program Title</u>	<u>SEFA June 30, 2021</u>	<u>FY 20/21 Activity</u>	<u>County Balance June 30, 2021</u>
14.228	Community Development Block Grants/State's Program	\$ 690,692	\$ (154,592)	\$ 536,100
14.239	HOME Investment Partnerships Program	\$ 3,264,915	\$ (623,700)	\$ 2,641,215

COUNTY OF NEVADA

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? [x] yes [] no
- Significant deficiency(ies) identified? [] yes [x] none
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
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

Table with 2 columns: Assistance Listing Number(s) and Name of Federal Program or Cluster. Includes entries for 10.561 (SNAP Program Cluster), 21.019 (COVID-19 Coronavirus Relief Fund), 20.509 (Federal Transit Administration Program), 93.563 (Child Support Enforcement Program), and 93.659 (Adoptions Assistance Program).

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,297,667
Auditee qualified as low-risk auditee? [] yes [x] no

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section II – Financial Statement Findings

2021 – 001 Revenue Recognition

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The County received settlement revenue from PG&E that was recorded in the current year and should have been recorded in the prior year.

Additionally, a cash receipt recorded subsequent to year end was considered earned during the current year as revenue; however, the accounts receivable and revenue was not recorded as of June 30, 2020.

Criteria or specific requirement: GAAP requires all revenues be recorded in the period in which they are earned.

Effect: Revenues for the year ended June 30, 2021 were overstated by a net amount of \$1,939,243, equity was understated by \$3,351,738 and accounts receivable was understated by \$1,412,495.

Cause: The PG&E settlement revenue was a one-time settlement. Due to the timing the settlement near year end and the receipt of settlement proceeds subsequent to year end, the amount was not identified during the PY accrual process. Additionally, it was determined that one cash receipt subsequent to year end was for revenues that were earned as of June 30, 2020, however, these amounts were not identified as earned and properly recorded as a part of the year end accrual process.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the County provide additional training to departments regarding procedures to identify when revenues are considered earned and receivables should be accrued at year end.

Views of responsible officials: There is no disagreement from responsible officials.

2021 – 002 Preparation of the Schedule of Expenditures of Federal Awards

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Subsequent to the issuance of the single audit report for the year ended June 30, 2021, we found that the County did not include expenditures for the Federal Transit Administration (FTA) Program on the SEFA.

Criteria or specific requirement: According to §200.510 Financial Statements of 2 CFR Part 200, the auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502.

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Effect: The County did not include \$1,323,788 of expenditures incurred during the year ended June 30, 2021, related to the FTA program on the SEFA. As a result FTA was determined to be a major federal program, additional test work over controls and compliance was conducted and the Uniform Guidance report was reissued.

Cause: The County did not receive official approval for the grant until after funds were spent for the program. The grants were approved prior to June 30, 2021; however, reimbursement of eligible expenditures did not occur until after June 30, 2021. The program manager did not understand that these expenditures needed to be included in the June 30, 2021, SEFA.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the County provide additional training to individuals managing federal grant funding regarding Uniform Guidance requirements for financial reporting.

Views of responsible officials: There is no disagreement from responsible officials.

Section III – Findings and Questioned Costs – Major Federal Programs

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

COUNTY OF NEVADA

Schedule of the California Emergency Management Agency
And the Board of State and Community Corrections Grants Expenditures
For the Year Ended June 30, 2021
(UNAUDITED)

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2020	For the Year Ended June 30, 2021	Cumulative As of June 30, 2021	Federal Share	State Share	County Share
Grant Name; Contract #:	VW19330290	VW19330290				
Personal services	\$ 173,128	\$ 68,225	\$ 241,353	\$ 68,225	\$ --	\$ --
Operating expenses	34,382	25,751	60,133	25,751	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 207,510</u>	<u>\$ 93,976</u>	<u>\$ 301,486</u>	<u>\$ 93,976</u>	<u>\$ --</u>	<u>\$ --</u>
Grant Name; Contract #:		VW20340290				
Personal services	\$ --	\$ 186,142	\$ 186,142	\$ 167,167	\$ 18,975	\$ --
Operating expenses	--	33,097	33,097	27,332	5,765	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 219,239</u>	<u>\$ 219,239</u>	<u>\$ 194,499</u>	<u>\$ 24,740</u>	<u>\$ --</u>
Grant Name; Contract #:	XC19020290	XC19020290				
Personal services	\$ 14,553	\$ 21,945	\$ 36,498	\$ 21,945	\$ --	\$ --
Operating expenses	58,498	77,424	135,922	64,450	--	12,974
Equipment	--	--	--	--	--	--
Totals	<u>\$ 73,051</u>	<u>\$ 99,369</u>	<u>\$ 172,420</u>	<u>\$ 86,395</u>	<u>\$ --</u>	<u>\$ 12,974</u>
Grant Name; Contract #:		XC20030290				
Personal services	\$ --	\$ 16,695	\$ 16,695	\$ 16,695	\$ --	\$ --
Operating expenses	--	57,602	57,602	57,602	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 74,297</u>	<u>\$ 74,297</u>	<u>\$ 74,297</u>	<u>\$ --</u>	<u>\$ --</u>

COUNTY OF NEVADA

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 20F-3029
 For the Period January 1, 2020 through May 31, 2021
 (UNAUDITED)

	January 1, 2020 through June 30, 2020	July 1, 2020 through May 31, 2021	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE					
Grant revenue	58,300.17	241,348.33	299,648.50		311,667.00
Grant Receivable	-	11,995.28	11,995.28		
Interest	-	-	-		
Total Revenue:	58,300.17	253,343.61	311,643.78		311,667.00
EXPENDITURES					
Administrative Costs					
Salaries and wages	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Operating Costs	-	-	-	-	-
Equipment	-	-	-	-	-
Consultant services	-	-	-	-	-
Other costs	26,034.27	73,983.73	100,018.00	73,983.73	100,018.00
Total Administrative Costs:	26,034.27	73,983.73	100,018.00	73,983.73	100,018.00
Program Costs					
Salaries and wages	14,166.61	43,627.39	57,794.00	43,627.39	57,794.00
Fringe benefits	7,246.79	22,228.21	29,475.00	22,228.21	29,475.00
Operating Expenses	-	-	-	-	-
Consultant Services	10,852.50	113,504.28	124,356.78	113,504.28	124,380.00
Total Program Costs:	32,265.90	179,359.88	211,625.78	179,359.88	211,649.00
Total Expenses	58,300.17	253,343.61	311,643.78	253,343.61	311,667.00

COUNTY OF NEVADA

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 20F-3668
 For the Period March 27, 2020 through June 30, 2021
 (UNAUDITED)

	March 27, 2020 through June 30, 2020	July 1, 2020 through June 30, 2021	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE					
Grant revenue	-	82,133.27	82,133.27		379,283.00
Grant Receivable	-	-	-		
Interest	-	-	-		
Total Revenue:	-	82,133.27	82,133.27		379,283.00
EXPENDITURES					
Administrative Costs					
Salaries and wages	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Operating Costs	-	-	-	-	-
Equipment	-	-	-	-	-
Consultant services	-	18,485.60	18,485.60	18,485.60	63,179.00
Other costs	-	-	-	-	-
Total Administrative Costs:	-	18,485.60	18,485.60	18,485.60	63,179.00
Program Costs					
Salaries and wages	-	13,469.99	13,469.99	13,469.99	74,348.00
Fringe benefits	-	10,179.27	10,179.27	10,179.27	42,126.00
Operating Expenses	-	-	-	-	-
Consultant Services	-	39,998.41	39,998.41	39,998.41	199,630.00
Total Program Costs:	-	63,647.67	63,647.67	63,647.67	316,104.00
Total Expenses	-	82,133.27	82,133.27	82,133.27	379,283.00

COUNTY OF NEVADA

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 21F-4029
 For the Period January 1, 2021 through June 30, 2021
 (UNAUDITED)

	January 1, 2021 through June 30, 2021	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE				
Grant revenue	100,506.32	100,506.32		279,667.00
Grant Receivable	26,295.18	26,295.18		
Interest	-	-		
Total Revenue:	126,801.50	126,801.50		279,667.00
EXPENDITURES				
Administrative Costs				
Salaries and wages	-	-	-	-
Fringe benefits	-	-	-	-
Operating Costs	-	-	-	-
Equipment	-	-	-	-
Consultant services	-	-	-	-
Other costs	62,103.95	62,103.95	62,103.95	106,154.00
Total Administrative Costs:	62,103.95	62,103.95	62,103.95	106,154.00
Program Costs				
Salaries and wages	23,663.09	23,663.09	23,663.09	55,276.00
Fringe benefits	13,163.27	13,163.27	13,163.27	30,037.00
Operating Expenses	1,736.66	1,736.66	1,736.66	4,200.00
Consultant Services	26,134.53	26,134.53	26,134.53	84,000.00
Total Program Costs:	64,697.55	64,697.55	64,697.55	173,513.00
Total Expenses	126,801.50	126,801.50	126,801.50	279,667.00



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**COUNTY OF NEVADA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2021**

The County of Nevada respectfully submits the following corrective action plan for the year ended June 30, 2021.

Audit period: July 1, 2020 through June 30, 2021

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2021-001 Revenue Recognition

Recommendation: We recommend the County provide additional training to departments regarding procedures to identify when revenues are considered earned and receivables should be accrued at year end.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action in response to finding: Auditor-Controller's office has revised and clarified its revenue recognition and accrual procedures within the County's year-end procedures manual to be consistent with its adopted sixty-day period of availability. To communicate these revised procedures county-wide, the Auditor-Controller's office has provided several in-depth department trainings to discuss these revenue recognition rules that the County is subject to and the appropriate accounting treatment of these procedures, so financial reporting is consistent with generally accepted accounting principles. In addition, daily revenue review procedures performed at the Auditor-Controller's office has been evaluated in-depth and has clarified these procedures so revenue is consistently recognized in the appropriate fiscal year and accrued, as necessary.

Name(s) of the contact person(s) responsible for corrective action: Andrew Copeland

Planned completion date for corrective action plan: June 30, 2023

MATERIAL WEAKNESS

2021-002 Preparation of the Schedule of Expenditures of Federal Awards

Recommendation: We recommend the County provide additional training to individuals managing federal grant funding regarding Uniform Guidance requirements for financial reporting.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action in response to finding: The Auditor-Controller's Office is in the process of developing additional grant management and reporting training to County staff. Included within this training, the unique requirements related to federal awards and Uniform Guidance will be emphasized during these training courses. The Auditor-Controller's office will also require

**COUNTY OF NEVADA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2021**

department heads or agency CFAOs to review and certify that all grant reports are complete and accurate.

Name(s) of the contact person(s) responsible for corrective action: Andrew Copeland

Planned completion date for corrective action plan: June 30, 2023

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

There were no findings related to Federal Award Programs in the current year.

If there are any questions regarding this plan, please call Gina Will, Auditor-Controller at (530) 265-1244.