

**COUNTY OF NEVADA
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2022**



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COUNTY OF NEVADA

Single Audit Report
Year Ended June 30, 2022

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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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 2, 2023.

Report on 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 designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

Report on 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’s Response to Findings

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Roseville, California
June 2, 2023



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

Opinion on Each Major Federal Program

We have audited County of Nevada's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-003 through 2022-005. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-004 to be a material weakness.

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 described in the accompanying schedule of findings and questioned costs as items 2022-003 and 2022-005 to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other 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, 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 2, 2023, 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Supplemental Schedules

The supplemental schedules of the California Emergency Management Agency and the Board of State and Community Corrections Grants and Department of Community Services and Development which are the responsibility of management, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



CliftonLarsonAllen LLP

Roseville, California
July 28, 2023

COUNTY OF NEVADA

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor Pass-Through Grantor Federal Program Title/Cluster: County Program Name	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures	Passed through to Subrecipients
U.S. Department of Agriculture				
Direct Program:				
Rural Housing Preservation Grants: Housing Preservation Grant	10.433	USDA-RD-HCFP-HP	\$ 395	\$ -
Cooperative Forestry Assistance: High Country Patrol	10.664	17-LE-1105-1360-018	1,448	-
Cooperative Forestry Assistance: Controlled Substance	10.664	17-LE-1105-1360-018	3,044	-
Subtotal Assistance Listing 10.664			<u>4,492</u>	<u>-</u>
Passed through California Department of Food and Agriculture:				
Plant & Animal Disease, Pest Control, & Animal Care: Pierce's Disease Control	10.025	19-0727-040-SF	7,729	-
Plant & Animal Disease, Pest Control, & Animal Care: European Grapevine Moth	10.025	20-1036-018-SF	791	-
Plant & Animal Disease, Pest Control, & Animal Care: European Grapevine Moth	10.025	21-0595-016-SF	4,416	-
Subtotal Assistance Listing 10.025			<u>12,936</u>	<u>-</u>
Passed through California Department of Public Health:				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	19-10166 A03	710,453	-
Passed through California Department of Public Health:				
State Administrative Matching Grants for The Supplemental Nutrition Assistance Program: CalFresh Healthy Living Nutrition Education and Obesity Prevention	10.561	19-10359	101,665	30,975
Passed through State Department of Social Services				
State Administrative Matching Grants for The Supplemental Nutrition Assistance Program: CalFresh Admin	10.561	--	2,485,254	-
State Administrative Matching Grants for The Supplemental Nutrition Assistance Program: CalFresh ARPA	10.561	--	58,579	-
Subtotal Assistance Listing 10.561 - SNAP Cluster			<u>2,645,498</u>	<u>30,975</u>
<i>SNAP Cluster Total</i>			<u>2,645,498</u>	<u>30,975</u>
Passed through the California State Controller's Office:				
Schools and Roads - Grants to States: Twenty Five Percent Fund Act of 1908	10.665	GC29480-84	139,708	-
Subtotal Assistance Listing 10.665 - Forest Service Schools and Roads Cluster			<u>139,708</u>	<u>-</u>
<i>Forest Service Schools and Roads Cluster Total</i>			<u>139,708</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>3,513,482</u>	<u>30,975</u>
U.S. Department of Housing and Urban Development				
Direct Program:				
Continuum of Care Program: Winter's Haven	14.267	CA0978L9T311905	10,724	-
Continuum of Care Program: Home Anew	14.267	CA262L9T311905	46,284	-
Continuum of Care Program: Winter's Haven	14.267	CA0978L9T312006	15,663	-
Continuum of Care Program: Home Anew	14.267	CA1262L9T312006	105,398	-
Subtotal Assistance Listing 14.267			<u>178,069</u>	<u>-</u>
Passed through the California Department of Housing and Community Development:				
Community Development Block Grants	14.228	Outstanding Loans	536,100	-
Community Development Block Grants: CDBG	14.228	17-CDBG-12025	2,515,722	373,950
Community Development Block Grants: CDBG-CV1	14.228	CDBG-CV1	531	-
Community Development Block Grants: CDBG	14.228	20-CDBG-12045	447	-
Community Development Block Grants: CDBG	14.228	20-CDBG-12016	50,318	50,318
Community Development Block Grants: CDBG	14.228	20-CDBG-12032	-	-
Community Development Block Grants: CDBG-CV-2	14.228	20-CDBG-CV2-3-00272	-	-
Community Development Block Grants: CDBG-CV-3	14.228	20-CDBG-CV2-3-00270	283,762	-
Community Development Block Grants: CDBG-DRMHP	14.228	20-DRMHP-00026	2,372	-
Subtotal Assistance Listing 14.228			<u>3,389,252</u>	<u>424,268</u>
Home Investment Partnership Program	14.239	Outstanding Loans	2,641,215	-
Home Investment Partnership Program: HOME	14.239	18-HOME-12592	131,842	-
Subtotal Assistance Listing 14.239			<u>2,773,057</u>	<u>-</u>
Passed through the California Department of Public Health:				
Housing Opportunities for People with AIDS: HOPWA	14.241	19-10518 A01	70,858	-
Total U.S. Department of Housing and Urban Development			<u>6,411,236</u>	<u>424,268</u>
U.S. Department of the Interior				
Passed through the California State Controller's Office:				
Flood Control Act Lands	15.433	GC16415-16417	4,565	-
Total U.S. Department of the Interior			<u>4,565</u>	<u>-</u>

See Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF NEVADA

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor Pass-Through Grantor Federal Program Title/Cluster: County Program Name	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures	Passed through to Subrecipients
U.S. Department of Justice				
Direct Programs:				
Law Enforcement Assistance Narcotics and Dangerous Drugs Laboratory Analysis: Domestic Cannabis Eradication/Suppression Program	16.001	2022-31	\$ 19,973	\$ -
Criminal and Juvenile Justice and Mental Health Collaboration Program: Justice and Mental Health Grant	16.745	2018-MH-BC-0018	83,904	72,683
Body Worn Camera Policy and Implementation: 2018 US DOJ Body Worn Camera Grant	16.835	2018-BC-BX-006	123,000	-
Passed through the California Board of State and Community Corrections COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	BSCC 111-20	186,318	-
Passed through the California Office of Emergency Services Crime Victim Assistance: Victim Services Program	16.575	XC20030290	73,729	47,675
Crime Victim Assistance: Victim Services Program	16.575	XC21040290	59,342	46,550
Crime Victim Assistance: Victim Witness Assistance Program	16.575	VW20340290	73,084	-
Crime Victim Assistance: Victim Witness Assistance Program	16.575	VW21350290	100,000	-
Subtotal Assistance Listing 16.575			<u>306,155</u>	<u>94,225</u>
Total U.S. Department of Justice			<u>719,350</u>	<u>166,908</u>
U.S. Department of Transportation				
Passed through California Department of Transportation:				
Highway Planning and Construction: Local Assistance Program - Highway Bridge Program - Dog Bar Road at Bear River Bridge Replacement	20.205	BRLO-5917(084)	180,689	-
Highway Planning and Construction: Local Assistance Program - Highway Bridge Program - Hirschdale at Truckee River Bridge	20.205	BRLO-5917(092)	110,068	-
Highway Planning and Construction: Local Assistance Program - Highway Bridge Program - Hirschdale at UPRR Railroad Bridge	20.205	BRLO-5917(097)	21,973	-
Highway Planning and Construction: Local Assistance Program - No. Bloomfield at S. Yuba Replacement Project	20.205	BRLO-5917(078)	130,159	-
Highway Planning and Construction: Local Assistance Program - Guardrail Safety Audit Project	20.205	HSIPL-5917(102)	94,039	-
Highway Planning and Construction: Local Assistance Program - Soda Springs Road Bridge Over South Yuba Replacement	20.205	BRLO 5917(079)	1,513,064	-
Highway Planning and Construction: Local Assistance Program - High Friction Surface Treatment	20.205	HSIPL-5917(103)	27,011	-
Highway Planning and Construction: Local Assistance Program - Rough and Ready Intersection	20.205	CML-5917(104)	43,438	-
Highway Planning and Construction: HIPL Purdon Repairs	20.205	HPIL-5917(106)	42,633	-
Subtotal Assistance Listing 20.205 - Highway Planning and Construction Cluster			<u>2,163,074</u>	<u>-</u>
Highway Planning and Construction Cluster Total			<u>2,163,074</u>	<u>-</u>
Total U.S. Department of Transportation			<u>2,163,074</u>	<u>-</u>
U.S. Department of Treasury				
Direct Program:				
COVID-19 - Coronavirus Local Fiscal Recovery Funds	21.027	--	3,839,410	-
Passed through the California Department of Housing and Community Development COVID-19 - Coronavirus Relief Fund: Homekey Grant	21.019	20-HK-00072	389,775	-
Total U.S. Department of Treasury			<u>4,229,185</u>	<u>-</u>

See Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF NEVADA

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

Federal Grantor Pass-Through Grantor Federal Program Title/Cluster: County Program Name	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures	Passed through to Subrecipients
U.S. Department of Health and Human Services				
Direct Program:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance: SAMHSA Drug Court Expansion	93.243	--	\$ 119,296	\$ -
Passed through the Substance Abuse and Mental Health Services Administration				
Substance Abuse and Mental Health Services Projects of Regional and National Significance: Services for Homeless Individuals In Nevada County with Substance use Disorders (GBHI)	93.243	17T180596A	182,998	113,188
Subtotal Assistance Listing 93.243			<u>302,294</u>	<u>113,188</u>
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement: Rural Health Opioids Program	93.912	1H1URH32367-01-00	36,544	36,544
Passed through California Department of Social Services:				
Guardianship Assistance: KinGap IV-E Admin	93.090	--	2,501	-
Mary Lee Allen Promoting Safe and Stable Families Program: PSSF	93.556	--	44,474	15,000
Temporary Assistance for Needy Families: CalWORKS CEC Programs-Non SA	93.558	--	1,819,929	596,913
Temporary Assistance for Needy Families: CalWORKS CEC Programs-SA	93.558	--	1,595,115	765,816
Temporary Assistance for Needy Families: CWS TANF	93.558	--	233,740	-
Temporary Assistance for Needy Families: Child Care	93.558	--	261,746	-
Temporary Assistance for Needy Families: CalWORKS Mixed	93.558	--	3,403	-
Temporary Assistance for Needy Families: CalWORKS Fed-GAP	93.558	--	94,106	-
Temporary Assistance for Needy Families: CalWORKS Fed-GAP FFCRA	93.558	--	11,670	-
Temporary Assistance for Needy Families: CalWORKS Kin-Gap	93.558	--	10,064	-
Temporary Assistance for Needy Families: CalWORKS Kin-Gap FFCRA	93.558	--	1,250	-
Temporary Assistance for Needy Families: CalWORKS All Families/Zero Parent	93.558	--	1,397,586	-
Subtotal Assistance Listing 93.558			<u>5,428,609</u>	<u>1,362,729</u>
Community-Based Child Abuse Prevention Grants: Child Abuse Prevention CBCAP	93.590	--	30,000	-
Adoption and Legal Guardianship Incentive Payments: Adoptions Incentive	93.603	--	25,172	-
Stephanie Tubbs Jones Child Welfare Services Program: CWS IV-B	93.645	--	27,901	-
Foster Care Title IV-E: Licensing	93.658	--	3,305	-
Foster Care Title IV-E: CCR CPD	93.658	--	753	-
Foster Care Title IV-E: CCR CWD	93.658	--	69,065	-
Foster Care Title IV-E: CSEC	93.658	--	2,543	-
Foster Care Title IV-E: CWS IV-E	93.658	--	732,506	46,322
Foster Care Title IV-E: ECCB	93.658	--	17,335	-
Foster Care Title IV-E: Non CWS Allocation	93.658	--	103,417	-
Foster Care Title IV-E: Prob IV-E & GHMV PT	93.658	--	143,627	-
Foster Care Title IV-E: Foster Care	93.658	--	51,358	-
Foster Care Title IV-E: CWS FURS	93.658	--	10,854	-
Foster Care Title IV-E: Foster Care Assistance	93.658	--	400,347	-
Foster Care Title IV-E: Foster Care Assistance FFCRA	93.658	--	41,149	-
Foster Care Title IV-E: Foster Care Assistance EFC	93.658	--	61,104	-
Foster Care Title IV-E: Foster Care Assistance EFC FFCRA	93.658	--	7,533	-
Foster Care Title IV-E: Foster Care Assistance EA	93.658	--	40,765	-
Subtotal Assistance Listing 93.658			<u>1,685,661</u>	<u>46,322</u>
Adoption Assistance: Adoptions Elig	93.659	--	70,198	-
Adoption Assistance: Adoptions SS	93.659	--	49,085	-
Adoption Assistance: CCR AAP CWD	93.659	--	3,825	-
Adoption Assistance: Adoption Assistance	93.659	--	1,376,047	-
Adoption Assistance: Adoption Assistance FFCRA	93.659	--	170,631	-
Adoption Assistance: Adoption Assistance AAP+ Assistance	93.659	--	4,872	-
Adoption Assistance: Adoption Assistance AAP+ FFCRA	93.659	--	605	-
Subtotal Assistance Listing 93.659			<u>1,675,263</u>	<u>-</u>

See Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF NEVADA

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

Federal Grantor Pass-Through Grantor Federal Program Title/Cluster: County Program Name	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures	Passed through to Subrecipients
Social Services Block Grant: CSW Title XX	93.667	--	\$ 59,000	\$ -
Social Services Block Grant: In-Home Supportive Services	93.667	--	447,008	-
Subtotal Assistance Listing 93.667			<u>506,008</u>	<u>-</u>
John H. Chafee Foster Care Program for Successful Transition to Adulthood: ILP	93.674	--	28,117	28,117
Elder Abuse Prevention Interventions Program: APS/CSBG	93.747	--	18,785	-
Passed through the California Department of Public Health: Public Health Emergency Preparedness: PHEP	93.069	17-10177	146,246	-
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	20-10534	12,000	-
Immunization Cooperative Agreements: Immunizations	93.268	17-10335 A02	299,713	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases: ELC Enhanced Detection	93.323	COVID 19ELC29	954,867	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases: ELC Expansion	93.323	COVID 19ELC87	1,298,906	-
Passed through Heluna Health COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases: ELC CARES	93.323	--	46,525	-
Subtotal Assistance Listing 93.323			<u>2,300,298</u>	<u>-</u>
COVID-19 - Public Health Emergency Response, Cooperative Agreement for Emergency Response, Public Health Crisis Response: COVID Workforce Development	93.354	WFD-029	22,508	-
COVID-19 - Activities to Support STLT Health Department Response to Public Health or Healthcare Crises: COVID Health Disparities	93.391	CERI-21-23-28	2,401	-
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program: CHVP	93.505	20-29,21-29	693,474	678,154
National Bioterrorism Hospital Preparedness Program: HPP	93.889	17-10177	111,810	-
HIV Care Formula Grant: HIV CARES X07	93.917	18-10879	44,041	-
Maternal and Child Health Services Block Grant: MCAH FY 21/22	93.994	202129	184,003	-
Passed through the California Department of Health Care Services: Projects for Assistance for Transition from Homelessness: PATH	93.150	--	16,333	16,333
Medical Assistance Program: MAA, Public Health	93.778	20-10014	521,011	-
Medical Assistance Program: MAA Admin Activities, Veteran Services	93.778	20-10014	65,551	-
Medical Assistance Program: CCS Admin	93.778	--	222,027	-
Medical Assistance Program: CHDP	93.778	--	6,826	-
Medical Assistance Program: HPCPCFC	93.778	--	207,968	-
Medical Assistance Program: MAA Admin	93.778	--	1,517,809	-
Subtotal Assistance Listing 93.778 - Medicaid Cluster			<u>2,541,192</u>	<u>-</u>
Medicaid Cluster Total			<u>2,541,192</u>	<u>-</u>

See Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF NEVADA

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

Federal Grantor Pass-Through Grantor Federal Program Title/Cluster: County Program Name	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures	Passed through to Subrecipients
Block Grants for Community Mental Health Services: MHBG	93.958	--	\$ 241,958	\$ 229,689
COVID-19 - Block Grants for Community Mental Health Services: MHBG Coronavirus Response and Relief Supplemental Appropriations Act	93.958	--	36,177	36,177
COVID-19 - Block Grants for Community Mental Health Services: MHBG American Rescue Plan Act	93.958	--	32,294	32,294
Block Grants for Community Mental Health Services: Community Mental Health Centers	93.958	--	83,773	-
Subtotal Assistance Listing 93.958			<u>394,202</u>	<u>298,160</u>
COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse: SAPT Coronavirus Response and Relief Supplemental Appropriations Act	93.959	--	108,126	64,561
COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse: SAPT American Rescue Plan Act	93.959	--	26,832	-
Block Grants for Prevention and Treatment of Substance Abuse: Substance Abuse Treatment and Prevention Block Grant (SABG)	93.959	21-10099	704,083	359,869
Subtotal Assistance Listing 93.959			<u>839,041</u>	<u>424,430</u>
Passed through the California Department of Child Support Services: Child Support Enforcement: Child Support Services	93.563	--	1,607,752	-
Passed through the California Department of Community Services and Development:				
COVID-19 - Community Services Block Grant: CSBG CARES	93.569	20F-3668	286,617	189,969
Community Services Block Grant: CSBG	93.569	21F-4029	154,760	-
Community Services Block Grant: CSBG Disc	93.569	21F-4430	28,250	-
Community Services Block Grant: CSBG	93.569	22F-5029	39,864	-
Subtotal Assistance Listing 93.569			<u>509,491</u>	<u>189,969</u>
Passed through the Essential Access Health:				
Family Planning Services: Title X FY 21/22	93.217	9903-5320-71219-20-21	116,681	-
Family Planning Services: Title X Apr 2022-Sept 2022	93.217	9903-5320-71219-22	27,617	-
Subtotal Assistance Listing 93.217			<u>144,298</u>	<u>-</u>
Passed through the Tahoe Truckee Community Foundation Drug-Free Communities Support Program Grants: Tahoe Truckee Future Without Drug Dependency	93.276	--	16,371	-
Total U.S. Department of Health and Human Services			<u>19,696,503</u>	<u>3,208,946</u>
U.S. Department of Homeland Security				
Passed through the California Office of Emergency Services: COVID-19 - Disaster Grants, Public Assistance: Great Plates Delivered Program	97.036	--	1,437,129	-
Total U.S. Department of Homeland Security			<u>1,437,129</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 38,174,524</u>	<u>\$ 3,831,097</u>

See Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF NEVADA

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

NOTE 1: **REPORTING ENTITY**

The accompanying schedule of expenditures of federal awards (the Schedule) 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 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 Title 2 U.S. *Code of Federal Regulations* 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 agree, in all material respects, to the amounts reported within the County's basic financial statements. Federal award revenues are reported principally in the County's basic 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 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 allowed under the Uniform Guidance.

COUNTY OF NEVADA

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

NOTE 6: **LOANS WITH CONTINUING COMPLIANCE REQUIREMENT**

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2022 as follows:

Federal Assistance Listing Number	Program Title	SEFA June 30, 2022	FY 21/22 Activity	County Balance June 30, 2022
14.228	Community Development Block Grants/State's Program	\$ 536,100	\$ -	\$ 536,100
14.239	HOME Investment Partnerships Program	2,768,473	(104,056)	2,664,417
		<u>\$ 3,304,573</u>	<u>\$ (104,056)</u>	<u>\$ 3,200,517</u>

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

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? x yes none
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? x yes 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)? x yes no

Identification of Major Federal Programs

Table with 2 columns: Assistance Listing Number(s) and Name of Federal Program or Cluster. Includes programs like Home Investment Partnerships Program, COVID-19 Coronavirus State and Local Fiscal Recovery Funds, etc.

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,145,236
Auditee qualified as low-risk auditee? yes x no

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section II – Financial Statement Findings

2022 – 001 Revenue Recognition

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The County received funding during fiscal year 2020-2021 that should have been recorded in accounts receivable and unearned revenue. Additionally, some revenue recorded was not received during the availability period.

Criteria or specific requirement: Accounting principles generally accepted in the United States of America (GAAP) requires all revenues be recorded in the period in which they are available and earned.

Effect: Accounts receivable and unearned revenue were understated in fiscal year 2020-2021 by \$829,475. Revenues were overstated and unavailable revenue was understated for the year ended June 30, 2022, by \$1,931,225.

Cause: The County staff did not identify the proper revenue to be recorded during the year-end closing process.

Repeat Finding: The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2021-001.

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

Views of responsible officials and planned corrective actions: There is no disagreement from responsible officials.

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section II – Financial Statement Findings (Continued)

2022 – 002 Preparation of the Schedule of Expenditures of Federal Awards

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: During our testing, we noted the following matters related to the preparation of the schedule of expenditures of federal awards (SEFA).

- For Assistance Listing Number 21.027 Coronavirus Local Fiscal Recovery Funds, the County reported approximately \$202,100 as the amount passed through to subrecipients. However, the County revised its SEFA to report no amount passed through to subrecipients as a result of our audit inquiries.
- For Assistance Listing Number 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases, the County reported approximately \$260,000 as the amount passed through to subrecipients. However, the County revised its SEFA to report no amount passed through to subrecipients as a result of our audit inquiries.
- For Assistance Listing Number 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases, the County provided us multiple versions of an expenditure detail. The final version provided to us did not agree to the SEFA by an approximate amount of \$352,600.

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. At a minimum, the schedule must include the total amount provided to subrecipients from each federal program.

Effect: The SEFA did not accurately report federal expenditures and amounts passed through to subrecipients.

Cause: Management oversight.

Recommendation: We recommend the County implement a process and establish adequate internal controls surrounding the preparation of the SEFA to ensure the completeness and accuracy of the supplementary information presented in the financial statements. We recommend a review of the SEFA by someone independent of the preparer for final verification of completeness and accuracy.

Views of responsible officials and planned corrective actions: There is no disagreement from responsible officials.

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs

2022 – 003 Allowable Activities and Costs - Payroll Disbursements

Federal Agency: U.S. Department of Treasury

Centers for Disease Control and Prevention

U.S. Department of Health & Human Services

Federal Program Name: COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases
(ELC)

Child Support Enforcement

Assistance Listing Number: 21.027

93.323

93.563

Federal Award Identification Number and Year: 1505-0271 - 2021

6NU50CK000539-01-08 DHHS-CDC - 2020

Pass-Through Agency: California Department of Public Health

Heluna Health

California Department of Child Support Services

Pass-Through Number(s): COVID-19ELC29 and COVID-19ELC87

0187.3380

21-06

Award Period: May 26, 2021 - December 31, 2026

May 18, 2020 - November 17, 2022 and January 15, 2021 - July 31, 2023

May 1, 2020 - March 31, 2022

July 1, 2021 - June 30, 2022

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: According to the Assistance Listing Description for CSLFRF and ELC, Subpart D, Post Federal; Award Requirements and Subpart E, Cost Principles apply to the assistance listing. According to the LCSA Fiscal and Administrative Policy Manual Revised 2021, costs allowable for reimbursement under the Child Support IV-D award are governed by federal regulations. Title 2, §200.403, §200.404, and Title 45, Part 304 provide general guidelines for determining cost allowability.

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

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

2022 – 003 Allowable Activities and Costs - Payroll Disbursements (Continued)

Criteria or specific requirement (Continued): According to § 200.302 Financial management of 2 CFR Part 200, the financial management system of each nonfederal entity must provide for written procedures for determining the allowability of costs in accordance with subpart E of this part and the terms and conditions of the federal award.

According to § 200.303 Internal controls of 2 CFR Part 200, the nonfederal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

According to § 200.403 Factors affecting allowability of costs of 2 CFR Part 200, except where otherwise authorized by statute, costs must be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the nonfederal entity in order to be allowable under federal awards. According to § 200.430 Compensation—personal services of 2 CFR Part 200, costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees:

- (1) Is reasonable for the services rendered and conforms to the established written policy of the nonfederal entity consistently applied to both federal and nonfederal activities;
- (2) Follows an appointment made in accordance with a nonfederal entity's laws and/or rules or written policies and meets the requirements of federal statute, where applicable; and
- (3) Is determined and supported as provided in paragraph (i) of this section, when applicable.

According to § 200.431 Compensation-fringe benefits of 2 CFR Part 200, except as provided elsewhere in these principles, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, nonfederal entity-employee agreement, or an established policy of the nonfederal entity.

Condition: The County does not have written procedures for determining the allowability of costs nor an established written policy for compensation-personal services and fringe benefits.

Questioned costs: Unknown

Context: During our testing, we noted the County charged various types of salaries and benefits to the grants. The County does not have written procedures for determining the allowability of costs. Specific to compensation-personal services and fringe benefits, there is not an established written policy for us to test that personnel costs charged to grants conform to, follows an appointment in accordance with, and are required by an established policy of the County.

Cause: Management oversight.

Effect: The auditor noted instances of noncompliance. Noncompliance results in potential unallowable costs charged to grants.

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

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

2022 – 003 Allowable Activities and Costs - Payroll Disbursements (Continued)

Recommendation: We recommend the County establish written procedures for determining the allowability of costs to include a written policy regarding the charging of personnel costs to grants.

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

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

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

2022 – 004 Procurement and Suspension and Debarment

Federal Agency: U.S. Department of Treasury

Centers for Disease Control and Prevention

Federal Program Name: COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases
(ELC)

Assistance Listing Number: 21.027

93.323

Federal Award Identification Number and Year: 1505-0271 - 2021

Pass-Through Agency: California Department of Public Health

Pass-Through Number(s): COVID-19ELC29 and COVID-19ELC87

Award Period: May 26, 2021 - December 31, 2026

May 18, 2020 - November 17, 2022 and January 15, 2021 - July 31, 2023

Type of Finding:

- Material Weakness in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: According to § 200.303 Internal controls of 2 CFR Part 200, the nonfederal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

According to § 200.318 General procurement standards of 2 CFR Part 200, the nonfederal entity must maintain records sufficient to detail the history of procurement. These records will include but are not necessarily limited to the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. According to § 200.320 Methods of procurement to be followed of 2 CFR Part 200, when the value of the procurement for property or services under a federal financial assistance award exceeds the SAT, or a lower threshold established by a nonfederal entity, formal procurement methods are required.

According to § 180.300 of Subpart C - Responsibilities of Participants Regarding Transactions Doing Business With Other Persons of 2 CFR Part 180, when you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person.

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

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

2022 – 004 Procurement and Suspension and Debarment (Continued)

Criteria or specific requirement (Continued):

According to Section 3.4 Formal Solicitations of the County's Purchasing Policy, Purchases of goods and services with an estimated cost of \$25,000 or more (including tax, installation, and freight), shall be made as the result of a Formal Solicitation process including but not limited to Invitations for Bids, Requests for Proposals, Requests for Qualifications, Requests for Information and any other formal solicitation method that can be completed within a timeframe that allows for the solicitation, evaluation and approval in accordance with this Section. Formal solicitations may be solicited through Purchasing's web based system or as otherwise directed by the Purchasing Agent.

According to Section 3.5 Exceptions to Competitive Solicitation of the County's Purchasing Policy, in certain circumstances competitive solicitations may not be the most cost-effective approach for procurement. The Board of Supervisors, County Executive, or Purchasing may waive requirements for competitive solicitations in accordance with the grounds permitted by law. Key exemption categories are identified in the Purchasing Policy. Exceptions are not intended to circumvent the competitive process and related County policies and does not eliminate the need to ensure purchases are competitively priced and the terms and conditions of the purchase are in the best interests of the County. A written determination of the basis for the exception to competitive solicitation and the reason for the selection of the particular source shall be included in Purchasing's records.

According to the County's suspension and debarment verification process, prior to entering into an applicable contract or subrecipient agreement, department will verify on SAM.gov if an entity is listed as suspended or debarred.

Condition: The County did not follow federal procurement and suspension and debarment regulation nor its purchasing policy and suspension and debarment verification procedures.

Questioned costs: Unknown

Context: During our testing, we noted the following matters related to procurement and suspension and debarment.

Assistance Listing Number 21.027

- For one of five procurements, the written justification does not contain how the Department knows that there is only one source for the item/service nor the basis upon which the price/cost was determined to be fair and reasonable. Also, no evidence of approval of the sole source procurement in the procurement file.

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

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

2022 – 004 Procurement and Suspension and Debarment (Continued)

Context (Continued):

Assistance Listing Number 21.027 (Continued)

- For three of five procurements, there is no written justification, documentary support, nor evidence of approval of the emergency procurement in the procurement file.
- For two of two procurements, the County did not maintain evidence of the suspension and debarment check before entering into the covered transaction nor evidence of the review and approval of the verification check.
- For one of five procurements, formal procurements are required. However, the County did not use a formal procurement method. Also, no amendment to revise original agreement terms for this contract which reads as a subrecipient relationship rather than a contractor relationship.

Assistance Listing Number 93.323

- For three of five procurements, there is no written justification, documentary support, nor evidence of approval of the sole source procurement in the procurement file.
- For one of five procurements, there is no written justification, documentary support, nor evidence of approval of the emergency procurement in the procurement file.
- For one of five procurements, formal procurements are required. However, the County did not use a formal procurement method rather the County used a personnel recruitment process led by a contracted recruiting firm.
- For five of five procurements, the County did not maintain evidence of the suspension and debarment check before entering into the covered transaction nor evidence of the review and approval of the verification check.

Cause: Management oversight.

Effect: The auditor noted instances of noncompliance. Noncompliance results in procurement transactions for the acquisition of property or services required under a federal award not conducted in a manner providing full and open competition and other general procurement standards, as applicable. Also, noncompliance results in procurement transactions with potentially suspended or debarred entities.

Recommendation: We recommend the County design controls to ensure compliance with federal procurement and suspension and debarment regulation and its purchasing policy and suspension and debarment verification procedures. We recommend the County develop standard justification forms with approval of the noncompetitive procurement documented on the forms and the forms maintained in the procurement file. Also, we recommend the County update its purchasing policy to ensure clear, concise, and detailed suspension and debarment verification procedures.

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

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

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

2022 – 005 Reporting

Federal Agency: U.S. Department of Treasury

Federal Program Name: COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: 1505-0271 - 2021

Award Period: May 26, 2021 - December 31, 2026

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: According to § 200.302 Financial management of 2 CFR Part 200, the nonfederal entity's financial management systems, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award. Further, the financial management system of each nonfederal entity must provide accurate, current, and complete disclosure of the financial results of each federal award or program in accordance with the reporting requirements. According to § 200.303 Internal controls of 2 CFR Part 200, the nonfederal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: During our testing, it was noted that the County did not have effective internal controls in place to ensure accurate and complete reporting.

Questioned costs: None

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

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

2022 – 005 Reporting (Continued)

Context: During our testing, we noted the following matters related to reporting.

- For the interim report, no evidence of review and approval of the report.
- For the Project and Expenditure Report 1, total obligations reported of approximately \$907,400. However, the documentation used to prepare the report has an obligated amount of approximately \$3,600,000. Thus, a variance of approximately \$2,700,000.
- For the Project and Expenditure Report 2, total obligations reported of approximately \$3,500,000. However, the documentation used to prepare the report has an obligated amount of approximately \$2,800,000. Thus, a variance of approximately \$711,900.
- For the Project and Expenditure Report 1 and 2, Subaward No: SBC_01 Period of Performance Start of August 13, 2021. However, the professional services contract has a contract start date of July 13, 2021.

Cause: Management oversight.

Effect: The auditor noted instances of noncompliance. Noncompliance results in inaccurate reporting.

Recommendation: We recommend the County design controls to ensure review and approval of reports are maintained in the County's grant files. Also, we recommend the County design controls to ensure reports agree to the documentation used to prepare them.

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

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, 2022
(UNAUDITED)

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2021	For the Year Ended June 30, 2022	Cumulative As of June 30, 2022	Federal Share	State Share	County Share
Grant Name; Contract #:	VW20340290	VW20340290				
Personal services	\$ 186,142	\$ 61,481	\$ 247,623	\$ 61,481	\$ --	\$ --
Operating expenses	33,097	11,603	44,700	11,603	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 219,239</u>	<u>\$ 73,084</u>	<u>\$ 292,323</u>	<u>\$ 73,084</u>	<u>\$ --</u>	<u>\$ --</u>
Grant Name; Contract #:	VW21350290	VW21350290				
Personal services	\$ --	\$ 202,201	\$ 202,201	\$ 90,648	\$ 111,553	\$ --
Operating expenses	--	38,216	38,216	9,352	28,864	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 240,417</u>	<u>\$ 240,417</u>	<u>\$ 100,000</u>	<u>\$ 140,417</u>	<u>\$ --</u>
Grant Name; Contract #:	XC20030290	XC20030290				
Personal services	\$ 16,695	\$ 23,080	\$ 39,775	\$ 23,081	\$ --	\$ --
Operating expenses	57,602	50,649	108,251	50,648	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 74,297</u>	<u>\$ 73,729</u>	<u>\$ 148,026</u>	<u>\$ 73,729</u>	<u>\$ --</u>	<u>\$ --</u>
Grant Name; Contract #:	XC21040290	XC21040290				
Personal services	\$ --	\$ 21,225	\$ 21,225	\$ 17,424	\$ 3,801	\$ --
Operating expenses	--	54,967	54,967	41,918	13,049	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 76,192</u>	<u>\$ 76,192</u>	<u>\$ 59,342</u>	<u>\$ 16,850</u>	<u>\$ --</u>

COUNTY OF NEVADA

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 20F-3668
 For the Period March 27, 2020 through June 30, 2022
 (UNAUDITED)

	March 27, 2020 through June 30, 2020	July 1, 2020 through June 30, 2021	July 1, 2021 through June 30, 2022	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE						
Grant revenue	-	82,133.27	286,616.99	368,750.26		419,653.00
Grant Receivable	-	-	-	-		
Interest	-	-	-	-		
Total Revenue:	-	82,133.27	286,616.99	368,750.26		419,653.00
EXPENDITURES						
Administrative Costs						
Salaries and wages	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-
Operating Costs	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Consultant services	-	-	-	-	-	-
Other costs	-	18,485.60	24,252.96	42,738.56	24,252.96	63,179.00
Total Administrative Costs:	-	18,485.60	24,252.96	42,738.56	24,252.96	63,179.00
Program Costs						
Salaries and wages	-	13,469.99	39,858.37	53,328.36	39,858.37	74,348.00
Fringe benefits	-	10,179.27	26,236.14	36,415.41	26,236.14	42,126.00
Operating Expenses	-	-	-	-	-	-
Consultant Services	-	39,998.41	196,269.52	236,267.93	196,269.52	240,000.00
Total Program Costs:	-	63,647.67	262,364.03	326,011.70	262,364.03	356,474.00
Total Expenses	-	82,133.27	286,616.99	368,750.26	286,616.99	419,653.00

COUNTY OF NEVADA

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 21F-4029
 For the Period January 1, 2021 through May 31, 2022
 (UNAUDITED)

	January 1, 2021 through June 30, 2021	July 1, 2021 through May 31, 2022	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE					
Grant revenue	100,506.32	181,054.93	281,561.25		281,563.00
Grant Receivable	-	-	-		
Interest	-	-	-		
Total Revenue:	100,506.32	181,054.93	281,561.25		281,563.00
EXPENDITURES					
Administrative Costs					
Salaries and wages	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Operating Costs	-	-	-	-	-
Equipment	-	-	-	-	-
Consultant services	-	-	-	-	-
Other costs	62,103.95	51,622.05	113,726.00	51,622.05	113,726.00
Total Administrative Costs:	62,103.95	51,622.05	113,726.00	51,622.05	113,726.00
Program Costs					
Salaries and wages	23,663.09	31,612.91	55,276.00	31,612.91	55,276.00
Fringe benefits	13,163.27	16,873.73	30,037.00	16,873.73	30,037.00
Operating Expenses	1,736.66	1,888.56	3,625.22	1,888.56	3,626.00
Consultant Services	26,134.53	52,762.50	78,897.03	52,762.50	78,898.00
Other costs	-	-	-	-	-
Total Program Costs:	64,697.55	103,137.70	167,835.25	103,137.70	167,837.00
Total Expenses	126,801.50	154,759.75	281,561.25	154,759.75	281,563.00

COUNTY OF NEVADA

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 21F-4430
 For the Period June 1, 2021 through May 31, 2022
 (UNAUDITED)

	June 1, 2021 through June 30, 2021	July 1, 2021 through May 31, 2022	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE					
Grant revenue	-	28,250.00	28,250.00		28,250.00
Grant Receivable	-	-	-		
Interest	-	-	-		
Total Revenue:	-	28,250.00	28,250.00		28,250.00
EXPENDITURES					
Administrative Costs					
Salaries and wages	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Operating Costs	-	-	-	-	-
Equipment	-	-	-	-	-
Consultant services	-	-	-	-	-
Other costs	-	500.00	500.00	500.00	500.00
Total Administrative Costs:	-	500.00	500.00	500.00	500.00
Program Costs					
Salaries and wages	-	11,906.00	11,906.00	11,906.00	11,906.00
Fringe benefits	-	6,429.00	6,429.00	6,429.00	6,429.00
Consultant Services	-	9,415.00	9,415.00	9,415.00	9,415.00
Total Program Costs:	-	27,750.00	27,750.00	27,750.00	27,750.00
Total Expenses	-	28,250.00	28,250.00	28,250.00	28,250.00

COUNTY OF NEVADA

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 22F-5029
 For the Period January 1, 2022 through June 30, 2022
 (UNAUDITED)

	June 1, 2021 through June 30, 2021	July 1, 2021 through May 31, 2022	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE					
Grant revenue	-	28,250.00	28,250.00		28,250.00
Grant Receivable	-	-	-		
Interest	-	-	-		
Total Revenue:	-	28,250.00	28,250.00		28,250.00
EXPENDITURES					
Administrative Costs					
Salaries and wages	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Operating Costs	-	-	-	-	-
Equipment	-	-	-	-	-
Consultant services	-	-	-	-	-
Other costs	-	500.00	500.00	500.00	500.00
Total Administrative Costs:	-	500.00	500.00	500.00	500.00
Program Costs					
Salaries and wages	-	11,906.00	11,906.00	11,906.00	11,906.00
Fringe benefits	-	6,429.00	6,429.00	6,429.00	6,429.00
Consultant Services	-	9,415.00	9,415.00	9,415.00	9,415.00
Total Program Costs:	-	27,750.00	27,750.00	27,750.00	27,750.00
Total Expenses	-	28,250.00	28,250.00	28,250.00	28,250.00



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

**COUNTY OF NEVADA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2022**

U.S. Department of Health and Human Services

County of Nevada respectfully submits the following corrective action plan for the year ended June 30, 2022.

Audit period: July 1, 2021 through June 30, 2022

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

2022-001 Revenue Recognition

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

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

Action taken 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

SIGNIFICANT DEFICIENCY

2022-002 Preparation of the Schedule of Expenditures of Federal Awards

Recommendation: We recommend the County implement a process and establish adequate internal controls surrounding the preparation of the SEFA to ensure the completeness and accuracy of the supplementary information presented in the financial statements. We recommend a review of the SEFA by someone independent of the preparer for final verification of completeness and accuracy.

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

Action taken in response to finding: Auditor-Controller's office has begun evaluating all costs recognized within the general ledger account used to recognize amounts passed

**COUNTY OF NEVADA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2022**

through to subrecipients to ensure subrecipient costs are appropriately recognized and reported during year-end procedures. For those contractor costs incorrectly recognized within the general ledger as subrecipient expenditures, reclassifying journal entries have been prepared to reclassify those costs to the appropriate general ledger account. Additionally, the Auditor-Controller's office expanded its year-end grant training to emphasize the importance for properly reporting these costs within the correct general ledger account and properly reporting these costs within year-end grant reporting forms used to prepare the SEFA. The Auditor-Controller's office will also require department heads or agency CFAOs to review and certify that all grant reports, including subrecipient expenditures used to prepare the SEFA, are complete and accurate.

In addition, the Public Health Department has taken steps to ensure a complete and accurate detail of grant expenditures reported on the SEFA can be provided for the reporting period covered. The Public Health Administrative Services Officer will review and approve, for each expenditure drawdown, the complete and accurate detail is included to support the amount claimed.

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

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

**COUNTY OF NEVADA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2022**

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

DEPARTMENT OF TREASURY, CENTERS FOR DISEASE CONTROL AND PREVENTION, AND
DEPARTMENT OF HEALTH AND HUMAN SERVICES

2022-003 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – Assistance Listing
No. 21.027

Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) – Assistance Listing
No. 93.323

Child Support Enforcement – Assistance Listing No. 93.563

Recommendation: We recommend the County establish written procedures for determining the allowability of costs to include a written policy regarding the charging of personnel costs to grants.

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

Action planned in response to finding: The County is currently in the process of drafting and establishing written procedures for county-wide and department specific use when determining the allowability of costs when charging personnel costs to federal awards. A primary function of this policy will be to provide guidance to county staff to ensure personnel costs are recognized in accordance with cost principles, statues, regulations, and terms and conditions of federal awards.

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

Planned completion date for corrective action plan: June 30, 2024

DEPARTMENT OF TREASURY AND CENTERS FOR DISEASE CONTROL AND PREVENTION

2022-004 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – Assistance Listing
No. 21.027

Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) – Assistance Listing
No. 93.323

Recommendation: We recommend the County design controls to ensure compliance with federal procurement and suspension and debarment regulation and its purchasing policy and suspension and debarment verification procedures. We recommend the County develop standard justification forms with approval of the noncompetitive procurement documented on the forms and the forms maintained in the procurement file. Also, we recommend the County update its purchasing policy to ensure clear, concise, and detailed suspension and debarment verification procedures.

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

Action planned/taken in response to finding: The County is currently in the process of implementing a county-wide contract clause that will be added to covered transaction contracts to comply with 2 CFR 180, to ensure covered transactions receive verification

**COUNTY OF NEVADA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2022**

that the person or entity is not excluded or disqualified. Review and approval of this suspension and debarment verification will be performed during the contract approval process, which will include this standardized clause. The County's purchasing policy and procedures manual will be updated to include this standard suspension and debarment verification process to ensure this procedure is communicated county-wide and followed.

Additionally, the County will develop standard justification forms to document method of procurement to be maintained in the procurement file. The County will also update its contract templates to include applicable suspension and debarment attestation language which meets Federal requirements and update its purchasing policy and procedures manual to reflect these changes.

Name(s) of the contact person(s) responsible for corrective action: Desiree Belding

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

DEPARTMENT OF TREASURY

2022-005 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – Assistance Listing No. 21.027

Recommendation: We recommend the County design controls to ensure review and approval of reports are maintained in the County's grant files. Also, we recommend the County design controls to ensure reports agree to the documentation used to prepare them.

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

Action taken in response to finding: The County has revised internal controls to ensure reports are prepared accurately and consistently with the back-up used to prepare them. Within these internal control procedures, an appropriate review and approval process will be utilized and documented to ensure report is accurate with underlying support documentation and clearly documents this review and approval control. As a primary function of this review and approval control process, the reviewer/approver will provide assurance that the federal award is reasonably being managed and complies with all applicable statutes, regulations, and terms and conditions. Evidence of review and approval will be maintained within the grant file support documentation for future reference and to be provided in a timely manner.

Name(s) of the contact person(s) responsible for corrective action: Barry Anderson

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

If the U.S. Department of Health and Human Services has questions regarding this plan, please call Gina Will, Auditor-Controller, at (530) 265-1244.



COUNTY OF NEVADA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022

U.S. Department of Health and Human Services

County of Nevada respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2022.

Audit period: July 1, 2021 through June 30, 2022

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2021 – 001 Revenue Recognition

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.

Status: See current year finding 2022-001.

Reason for finding's recurrence: County staff did not identify the proper revenue to be recorded during the year-end closing process.

Corrective Action: 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.

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

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.

Status: See current year finding 2022-002.

Reason for finding's recurrence: Management oversight.

**COUNTY OF NEVADA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022**

Corrective Action: Auditor-Controller's office has begun evaluating all costs recognized within the general ledger account used to recognize amounts passed through to subrecipients to ensure subrecipient costs are appropriately recognized and reported during year-end procedures. For those contractor costs incorrectly recognized within the general ledger as subrecipient expenditures, reclassifying journal entries have been prepared to reclassify those costs to the appropriate general ledger account.

Additionally, the Auditor-Controller's office expanded its year-end grant training to emphasize the importance for properly reporting these costs within the correct general ledger account and properly reporting these costs within year-end grant reporting forms used to prepare the SEFA. The Auditor-Controller's office will also require department heads or agency CFAOs to review and certify that all grant reports, including subrecipient expenditures used to prepare the SEFA, are complete and accurate.

In addition, the Public Health Department has taken steps to ensure a complete and accurate detail of grant expenditures reported on the SEFA can be provided for the reporting period covered. The Public Health Administrative Services Officer will review and approve, for each expenditure drawdown, the complete and accurate detail is included to support the amount claimed.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.

If the U.S. Department of Health and Human Services has questions regarding this plan, please call Gina Will, Auditor-Controller, at (530) 265-1244.