



**COUNTY OF INYO  
INDEPENDENCE, CALIFORNIA**

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2022**

**COUNTY OF INYO  
SINGLE AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITOR'S 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

To the Board of Supervisors  
County of Inyo  
Independence, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Inyo, California (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 November 8, 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

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## **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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-002.

## **The 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 County'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.

*Price Pange & Company*

Clovis, California  
November 8, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE, SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND SUPPLEMENTAL SCHEDULE OF THE CALIFORNIA OFFICE OF EMERGENCY SERVICES (CALOES) GRANTS EXPENDITURES

To the Board of Supervisors  
County of Inyo  
Independence, California

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

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

We have audited the County of Inyo, California'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 auditor's 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; 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 Auditor's 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.

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### ***Auditor's 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 generally accepted auditing standards, *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 generally accepted auditing standards, *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 an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-002. 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 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**

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 8, 2023, which contained a qualified opinion on those financial statements. The First 5 Inyo County audit report included a qualified opinion for the governmental activities' opinion unit because the net pension liability and related deferred inflows/deferred outflows of resources had not been recorded, and those amounts could not be determined. We did not audit the financial statements of First 5 Inyo County, which is a discretely presented component unit of the County. Those financial statements were audited by other auditors whose reports thereon had been furnished to us, and our opinion, insofar as they relate to the amounts included for First 5 Inyo County, are based solely on the reports of the other auditors.

Our audit was performed 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. The accompanying Supplemental Schedule of California Office of Emergency Services (CalOES) Grants Expenditures is presented for purposes of additional analysis as required by CalOES 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 and the Supplemental Schedule of CalOES is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Price Page & Company*

Clovis, California  
November 8, 2023

**COUNTY OF INYO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Passed through State Department of Social Services: Administrative Matching Grant for CalFresh (SNAP) Programs	10.561	--	\$ -	\$ 992,132
Passed through California Department of Public Health: Special Supplemental Nutrition Program for Women, Infants and Children	10.557	--	-	327,741
<b>Total U.S. Department of Agriculture</b>			-	1,319,873
<b>U.S. Department of Housing and Urban Development</b>				
Passed through the State Department of Housing and Urban Development: HOME Investment Partnership Program	14.239	--	-	780,000
<b>Total U.S. Department of Housing and Urban Development</b>			-	780,000
<b>U.S. Department of Justice</b>				
Direct Programs: 2018 Domestic Cannabis Eradication/Suppression Program	16.001	2021-20	-	1,926
Total Direct Programs			-	1,926
Passed through the California Emergency Management Agency: Crime Victim Witness Assistance Program	16.575	VW20 29 0140	-	66,806
Crime Victim Witness Assistance Program	16.575	VW21 30 0140	-	110,535
Subtotal ALN 16.575			-	177,341
<b>Total U.S. Department of Justice</b>			-	179,267
<b>U.S. Department of Labor</b>				
Passed through Kern County: Workforce Investment Act - Adult Program	17.258	--	-	60,739
<b>Total U.S. Department of Labor</b>			-	60,739
<b>U.S. Department of Transportation</b>				
Passed through California Department of Transportation:				
Airport Improvement Program	20.106	AIP-3-06-0024-021-2019	-	7,950
Airport Improvement Program	20.106	AIP-3-06-0024-023-2020	-	849,061
Airport Improvement Program	20.106	AIP-3-06-0024-025-2020	-	8,122
Airport Improvement Program	20.106	AIP-3-06-0024-027-2021	-	175,470
COVID-19 Airport Rescue Grant-ARPA KW2022	20.106	ARGO 3-06-0024-028-2022	-	32,000
COVID-19 Airport Rescue Grant	20.106	ARGO 3-06-0126-017-2022	-	4,555
Airport Coronavirus Response Grant Program	20.106	ACRGP 3-06-0024-026-2021	-	9,000
Subtotal ALN 20.106			-	1,086,158
Highway Planning and Construction	20.205	BRLO-5948-(074)	-	4,890
Highway Planning and Construction	20.205	BRLO-5948-(076)	-	9,104
Highway Planning and Construction	20.205	HSIPL-5948-(094)	-	149,451
Subtotal Highway Planning and Construction Cluster			-	163,445
<b>Total U.S. Department of Transportation</b>			-	1,249,603
<b>U.S. Department of the Treasury</b>				
Direct Program: COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	--	-	3,503,864
<b>Total U.S. Department of the Treasury</b>			-	3,503,864
<b>U.S. Department of Energy</b>				
Direct Program: Yucca Mountain Oversight Grant	81.065	--	-	53,493
<b>Total U.S. Department of Energy</b>			-	53,493

See accompanying notes to the Schedule of Expenditures of Federal Awards.



**COUNTY OF INYO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
(Continued)

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Health and Human Services</b>				
Passed through California Department of Child Support Services:				
Child Support Enforcement	93.563	--	-	731,637
Passed through California Department of Social Services:				
Promoting Safe and Stable Families	93.556	--	-	13,430
Temporary Assistance for Needy Families	93.558	--	-	562,146
Refugee Admin	93.566	--	-	173
Community-Based Child Abuse Prevention Grants	93.590	--	-	23,028
Stephanie Tubbs Jones Child Welfare Services Program	93.645	--	-	13,674
Foster Care - Title IV-E	93.658	--	-	685,396
Adoption Assistance Program	93.659	--	-	75,081
CWS TITLE XX	93.667	--	-	22,956
Chafee Foster Care Independence Program	93.674	--	-	951
Subtotal Pass-Through			-	1,396,835
Passed through State Department of Aging:				
Title VII Elder Abuse Prevention	93.041	--	-	652
Title VII Ombudsmen	93.042	--	-	38,219
Title III, Part D, Disease Prevention	93.043	--	-	3,153
Title IIIB: Supportive Services	93.044	--	-	95,565
Title III, Part C, Nutrition Services	93.045	--	-	204,345
Title IIIE: NFCSP	93.052	--	-	20,649
Nutrition Services Incentive Program	93.053	--	-	40,998
Subtotal Aging Cluster			-	403,581
Passed through State Department of Public Health:				
Public Health Emergency Response	93.069	--	-	71,385
Maternal and Child Health Federal Consolidated Programs	93.110	--	-	98,231
Immunization Grants	93.268	--	-	37,170
COVID-19 #2 Immunization Grant	93.268	--	-	23,662
COVID-19 #3 Immunization Grant	93.268	--	-	4,899
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	ELC #2	-	544,154
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	ELC #2 Expansion	-	221,294
Health Emergency Preparedness	93.889	--	-	68,216
CARES Program-Ryan White AIDS Consortium	93.917	--	-	9,075
Subtotal Pass-Through			-	1,078,086
Passed through State Department of Health Care Services:				
California Children's Service-Admin	93.767	--	-	61,775
California Children's Service-Treatment	93.767	--	-	11,594
Subtotal ALN 93.767			-	73,369
Medi-Cal Assistance Program	93.778	--	-	441,256
Medi-Cal Administrative Services	93.778	--	-	247,022
Subtotal Medicaid Cluster			-	688,278
Passed through the State Department of Mental Health:				
SAMHSA: Substance Abuse Mental Health Svc. Admin	93.958	--	-	336,882
COVID-19 SAMHSA: Substance Abuse Mental Health SVC Admin ARPA	93.958	--	-	73,429
COVID-19 SAMHSA: Substance Abuse Mental Health SVC Admin CRSSA	93.958	--	-	24,468
Subtotal Pass-Through			-	434,779
Passed through State Department of Alcohol and Drug Abuse:				
COVID-19 Block Grants for Prevention and Treatment of Substance Abuse	93.959	--	-	17,670
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	--	-	418,296
Subtotal Pass-Through			-	435,966
Maternal and Child Health Services Block Grant to the States	93.994	--	-	13,328
<b>Total Department of Health and Human Services</b>			-	<b>5,255,859</b>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**COUNTY OF INYO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
(Continued)

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal ALN</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Homeland Security</b>				
Passed through Governor's Office of Emergency Services:				
State Homeland Security Program (EMPG)	97.042	2020-0006, CalOES ID:027-0000	-	1,962
State Homeland Security Program (EMPG)	97.042	2019-0015, CalOES ID:027-0000	-	74,545
COVID-19 State Homeland Security Program (EMPG-S)	97.042	2020-0019, CalOES ID:027-0000	-	37,318
State Homeland Security Program (HSGP)	97.067	2020-0095, CalOES ID:027-0000	-	69,718
State Homeland Security Program (HSGP)	97.067	2019-0035, CalOES ID:027-0000	-	21,509
<b>Total U.S. Department of Homeland Security</b>			-	205,052
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 12,607,750

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**COUNTY OF INYO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 1 – REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Inyo, but not its discretely presented component unit, First 5 Inyo County. The County of Inyo 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 of Expenditures of Federal Awards. The information in this schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

**NOTE 2 – BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in the notes to the County financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowed or are limited as to reimbursement. In addition, the outstanding balance of prior year's loans that have significant continuing compliance requirements have been included in total federal expenditures.

**NOTE 3 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE LISTING NUMBERS (ALN)**

The program titles and ALNs were obtained from the federal or pass-through grantor. When no ALN had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier and the word "unknown" were used.

**NOTE 4 – INDIRECT COST RATE**

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 5 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the related federal financial assistance reports.

**NOTE 6 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the County's basic financial statements.

**COUNTY OF INYO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
(Continued)

**NOTE 7 – PASS-THROUGH ENTITIES’ IDENTIFYING NUMBERS**

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

**NOTE 8 – LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS**

The County participates in certain federal award programs that sponsor revolving loan programs which are administered by the County. These programs require servicing arrangements with the County. The funds are returned to the programs upon repayment of the principal and interest. In accordance with Section 200.510 of the Uniform Guidance, the County has reported the outstanding balance of loans from previous years that have significant continuing compliance requirements as of June 30, 2022, along with the value of total outstanding and new loans made during the current year.

The programs listed below had the following aggregate, federally funded loans outstanding at June 30, 2022:

<b>Federal Assistance Listing Number</b>	<b>Program Title</b>	<b>SEFA June 30, 2022</b>	<b>FY21/22 Paydowns</b>	<b>Financial Statements Balance June 30, 2022</b>
14.239	HOME Investment Partnership Program	\$ 780,000	\$ 400,000	\$ 380,000

**NOTE 9 – CALIFORNIA DEPARTMENT OF AGING SUMMARY**

The table below summarizes the Federal pass-through expenditures incurred by Title as required by the California Department of Aging:

	<b>Federal ALN</b>	<b>Total</b>
<b>U.S. Department of Health and Human Services</b>		
Passed through State Department of Aging:		
Title VII Elder Abuse Prevention	93.041	\$ 652
Title VII Ombudsmen	93.042	38,219
Title III, Part D, Disease Prevention	93.043	3,153
Title IIIB: Supportive Services	93.044	20,649
Title III, Part C, Nutrition Services	93.045	95,565
Title IIIE: NFCSP	93.052	204,345
Nutrition Services Incentive Program	93.053	40,998
Total		<u>\$ 403,581</u>

**COUNTY OF INYO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor's report issued: Qualified opinion for First 5 Inyo County, a discretely presented component unit, unmodified for all other opinion units.

Internal control over financial reporting:  
 Material weaknesses identified? \_\_\_\_\_ Yes   X   No  
 Significant deficiencies identified that are not considered to be material weaknesses?   X   Yes \_\_\_\_\_ None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

**Federal Awards**

Internal control over major programs:  
 Material weaknesses identified? \_\_\_\_\_ Yes   X   No  
 Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?   X   Yes \_\_\_\_\_ No

**Identification of Major Programs:**

Federal Assistance Listing Number  
 10.561  
 14.239  
 21.027  
 93.323

Name of Federal Program or Cluster  
 Administrative Matching Grant for CalFresh (SNAP) Programs  
 HOME Investment Partnership Program  
 COVID-19 Coronavirus State and Local Fiscal Recovery Funds  
 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes   X   No

**COUNTY OF INYO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
(Continued)

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding 2022-001 – Accounts Receivable (Significant Deficiency)**

**Criteria:**

A strong system of internal controls and management review requires that general ledger account balances be properly reconciled to a subsidiary ledger or other adequate supporting documentation on a periodic basis, as well as during the year-end financial close process in order to accurately and completely close the current year general ledger in a timely manner. Management is responsible for maintaining its accounting records in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Condition:**

During the audit of the County's financial statements, we identified misstatements related to the accuracy and completeness of the County's receivables. Adjusting entries were required for both the Water Systems fund and Solid Waste fund to correct the respective receivable balance in each fund.

**Cause:**

COVID-19 caused unforeseen delays as County staff had to work remotely and/or quarantine at various points over time which resulted in significant delays. Additionally, items such as ongoing training of County staff affected the County's ability to effectively close their books, both of which contributed to the misstatement.

**Effect:**

The accounts receivable balance for the funds noted above were initially misstated, which required a journal entry to be posted subsequent to receiving the County's final trial balance.

**Recommendation:**

We recommend the County review the receivable balance for these specific funds next year to ensure they are appropriately supported and recorded as part of the year-end close. In addition, we recommend the County update the closing checklist and related responsibilities for receivables as deemed necessary to improve the accuracy of receivables for next year over all funds.

**Management's Response:**

See Corrective Action Plan.

**COUNTY OF INYO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
(Continued)

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**Finding 2022-002 – Schedule of Expenditures of Federal Awards**

**Condition:**

In preparing the Schedule of Expenditures of Federal Awards (SEFA) amounts applicable to the program noted below required subsequent adjustment after it was identified as being originally incorrectly stated. The County had an overall adjustment to the SEFA for \$400,000 as noted below. We identified this error during our audit and proposed the necessary accounting adjustments to correct the affected account balances as applicable and corrected the final SEFA presentation as well.

<b>Federal Assistance Listing Number</b>	<b>Federal Grantor/Pass Through Grantor/ Program or Cluster Title</b>	<b>Total Adjustment: Overstatement/ (Understatement)</b>
14.239	HOME Investment Partnership Program	\$ (400,000)
	Total adjustment to SEFA	\$ (400,000)

**Criteria:**

*Title 2 CFR Section 200.302(b)(2) of the Uniform Guidance* requires that grantees provide accurate, current, and complete disclosure of the financial results of each Federal award or program, which includes expenditures of federal awards of grants that are presented in the SEFA. *Title 2 CFR Section 200.502(b)-(d) of the Uniform Guidance* also states certain requirements regarding the reporting of loans on the SEFA, which includes presenting the beginning of the audit period balance of loans from previous years for which the federal government imposes continuing compliance requirements.

**Cause:**

The County erroneously understated the HOME Investment Partnership Program SEFA balance by \$400,000, which caused the SEFA to initially be misstated.

**Effect:**

As noted in the chart above, the SEFA had one understatement that initially misstated the SEFA. If not corrected, the County would have misrepresented federal expenditures individually and in total in accordance with the Uniform Guidance.

**Recommendation:**

We recommend the County update and review its procedures related to the preparation of the SEFA to ensure that all costs are included in accordance with *Title 2 CFR Section 200.302(b)(2) of the Uniform Guidance*.

**Management’s Response:**

See Corrective Action Plan.

**COUNTY OF INYO  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022**

**FINANCIAL STATEMENT FINDINGS**

**Finding 2021-001 – Payroll Allocation (Significant Deficiency)**

**Criteria:**

A strong system of internal controls and management review requires that general ledger account balances be properly reconciled to a subsidiary ledger or other adequate supporting documentation on a periodic basis, as well as during the year-end financial close process in order to accurately and completely close the current year general ledger in a timely manner. Management is responsible for maintaining its accounting records in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Condition:**

During the audit of the County's financial statements, we identified a misstatement related to the allocation of the County's payroll liability. Initially the full payroll liability was sitting in the General Fund and required an adjusting journal entry to correctly allocate it to the other funds.

**Cause:**

COVID-19 caused unforeseen delays as County staff had to work remotely and/or quarantine at various points over time which resulted in significant delays. Additionally, items such as ongoing training of County staff affected the County's ability to effectively close their books, both of which contributed to the misstatement.

**Effect:**

The payroll liability by was initially misstated as described above, which required a journal entry to be posted subsequent to receiving the County's final trial balance.

**Recommendation:**

We recommend the County update the closing checklist to include a posting and review of the allocated payroll liability amounts as part of the year-end close.

**Current Year Status:**

Implemented.



**COUNTY OF INYO  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022**

**FINANCIAL STATEMENT FINDINGS** (Continued)

**Finding 2021-002 – Accounts Receivable (Significant Deficiency)**

**Criteria:**

A strong system of internal controls and management review requires that general ledger account balances be properly reconciled to a subsidiary ledger or other adequate supporting documentation on a periodic basis, as well as during the year-end financial close process in order to accurately and completely close the current year general ledger in a timely manner. Management is responsible for maintaining its accounting records in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Condition:**

During the audit of the County's financial statements, we identified misstatements related to the accuracy and completeness of the County's receivables. Adjusting entries were required for both the Grant Programs fund and Solid Waste fund to correct the respective receivable balance in each fund.

**Cause:**

COVID-19 caused unforeseen delays as County staff had to work remotely and/or quarantine at various points over time which resulted in significant delays. Additionally, items such as ongoing training of County staff affected the County's ability to effectively close their books, both of which contributed to the misstatement.

**Effect:**

The accounts receivable balance for the funds noted above were initially misstated, which required a journal entry to be posted subsequent to receiving the County's final trial balance.

**Recommendation:**

We recommend the County review the receivable balance for these specific funds next year to ensure they are appropriately supported and recorded as part of the year-end close. In addition, we recommend the County update the closing checklist and related responsibilities for receivables as deemed necessary to improve the accuracy of receivables for next year over all funds.

**Current Year Status:**

Partially implemented, see current year finding 2022-001.

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reportable.

**COUNTY OF INYO  
SUPPLEMENTAL SCHEDULE OF THE CALIFORNIA OFFICE  
OF EMERGENCY SERVICES (CALOES) GRANTS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2022**

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
<b>2019 HSGP</b>						
<b>2019-0035</b>						
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	72,407	3,000	75,407	3,000	-	-
Equipment	-	18,509	18,509	18,509	-	-
<b>Totals</b>	<b>\$ 72,407</b>	<b>\$ 21,509</b>	<b>\$ 93,916</b>	<b>\$ 21,509</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2020 HSGP</b>						
<b>623720</b>						
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	-	19,666	19,666	19,666	-	-
Equipment	-	50,052	50,052	50,052	-	-
<b>Totals</b>	<b>\$ -</b>	<b>\$ 69,718</b>	<b>\$ 69,718</b>	<b>\$ 69,718</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2020 EMPG</b>						
<b>2020-0006</b>						
Personal services	\$ 72,031	\$ -	\$ 72,031	\$ -	\$ -	\$ -
Operating expenses	3,863	1,962	5,825	1,962	-	-
Equipment	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 75,894</b>	<b>\$ 1,962</b>	<b>\$ 77,856</b>	<b>\$ 1,962</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2021 EMPG</b>						
<b>623821</b>						
Personal services	\$ -	\$ 68,379	\$ 68,379	\$ 68,379	\$ -	\$ -
Operating expenses	-	6,166	6,166	6,166	-	-
Equipment	-	-	-	-	-	-
<b>Totals</b>	<b>\$ -</b>	<b>\$ 74,545</b>	<b>\$ 74,545</b>	<b>\$ 74,545</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2020 EMPG COVID-S</b>						
<b>610191</b>						
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	-	-	-	-	-	-
Equipment	-	37,318	37,318	37,318	-	-
<b>Totals</b>	<b>\$ -</b>	<b>\$ 37,318</b>	<b>\$ 37,318</b>	<b>\$ 37,318</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Victim Witness Assistance Program</b>						
<b>VW 20 29 0140</b>						
Personal services	\$ 152,112	\$ 59,203	\$ 211,315	\$ 50,981	\$ 8,222	\$ -
Operating expenses	26,682	16,739	43,421	15,825	914	-
Equipment	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 178,794</b>	<b>\$ 75,942</b>	<b>\$ 254,736</b>	<b>\$ 66,806</b>	<b>\$ 9,136</b>	<b>\$ -</b>
<b>Victim Witness Assistance Program</b>						
<b>VW 21 30 0140</b>						
Personal services	\$ 201,030	\$ 167,698	\$ 368,728	\$ 110,533	\$ 59,181	\$ -
Operating expenses	43,638	25,178	68,816	-	23,162	-
Equipment	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 244,668</b>	<b>\$ 192,876</b>	<b>\$ 437,544</b>	<b>\$ 110,533</b>	<b>\$ 82,343</b>	<b>\$ -</b>

**AMY SHEPHERD**  
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**COUNTY OF INYO**  
 OFFICE OF THE AUDITOR-CONTROLLER  
 P. O. Drawer R  
 Independence, California 93526

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-001	<p><b><u>Water Systems</u></b>            Reports for the Water Systems Enterprise Fund will be run on the date that we print service charges for the month of June. This will show the true total of what is owed to us as of June 30.</p>	Will be fixed for the 22/23 FY audit	Breanne Nelums, Senior Management Analyst
2022-01	<p><b><u>Solid Waste</u></b>            The County has limited staff that have a background in accounting or an understanding of generally accepted accounting principles and the related revenue recognition principles.</p> <p>Departments are requested to identify accounts receivable, along with the fiscal year in which it was earned.</p> <p>To ensure revenue is correctly reported we require departments to certify that they have reviewed revenues for the year-end closing, that they have correctly posted revenues, and identify outstanding receivables.</p>	At the close of Fiscal Year 2022-2023	Amy Shepherd Auditor Controller

	In addition, there will be an additional focus on grants and enterprise funds to ensure their revenues are posted in the correct fiscal year.		
2022-002	We concur with the finding. We will state the beginning fiscal year balance of the loans, not the year end balance, as required by 2 CFR 200.302(b)2	Beginning Fiscal Year 2022-2023	Christie Martindale Assistant Auditor Controller

Christie Martindale  
Name Christie Martindale  
Title Assistant Auditor Controller