



**COUNTY OF INYO  
INDEPENDENCE, CALIFORNIA**

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2020**

**COUNTY OF INYO  
SINGLE AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2020**

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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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 4, 2022. Our report includes a reference to other auditors who audited the financial statements of First 5 Inyo County, a discretely presented component unit, as described in our report on the County's financial statements. The First 5 Inyo County report included a qualified opinion for the governmental activities' opinion unit because the net pension liability had not been recorded and the amounts could not be determined. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be material weaknesses.

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### **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*.

### **The County's Response to Findings**

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

### **Purpose of this Report**

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

*Price Pange & Company*

Clovis, California  
January 4, 2022



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**

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

In our opinion, the County of Inyo, California complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

### **Report on Internal Control over Compliance**

Management of the County of Inyo, California is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit each major fund, and the aggregate remaining fund information of the County of Inyo, California, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 4, 2022, 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 opinions, 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 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. The accompanying Supplemental Schedule of California Office of Emergency Services Grants Expenditures are presented for purposes of additional analysis as required by CalOES and are 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 California Office of Emergency Services Grants Expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Price Pange & Company*

Clovis, California  
January 4, 2022

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

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Passed through California Department of Social Services:				
State Administrative Matching Grants for the Supplemental Administrative Matching Grant for CalFresh	10.561	N/A	\$ -	\$ 665,941
Passed through California Department of Public Health:				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	N/A	-	314,453
Total U.S. Department of Agriculture			-	980,394
<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	N/A	-	780,000
Total U.S. Department of Housing and Urban Development			-	780,000
<b>U.S. Department of Justice</b>				
Direct Programs:				
2018 Domestic Cannabis Eradication/Suppression Program	16.001	2018-2019	-	3,530
2018 Bulletproof Vest Partnership Program	16.607	2018	-	5,768
Passed through the California Emergency Management Agency:				
Crime Victim Witness Assistance Program	16.575	VW18270140	-	161,497
Crime Victim Witness Assistance Program	16.575	VW19280140	-	64,574
Subtotal CFDA 16.575			-	226,071
Total U.S. Department of Justice			-	235,369
<b>U.S. Department of Labor</b>				
Passed through Kern County:				
Workforce Investment Act - Adult Program	17.258	N/A	-	77,859
Total U.S. Department of Labor			-	77,859
<b>U.S. Department of Transportation</b>				
Direct Programs:				
COVID-19 - Airport Improvement Program	20.106	AIP-03-06-0024-022-2020	-	30,000
COVID-19 - Airport Improvement Program	20.106	AIP-03-06-0108-008-2020	-	1,000
Subtotal CFDA 20.106			-	31,000
Passed through California Department of Transportation:				
Airport Improvement Program	20.106	AIP-03-06-0024-020-2018	-	1,603
Airport Improvement Program	20.106	AIP-03-06-0126-013-2018	-	35,369
Airport Improvement Program	20.106	AIP-03-06-0024-021-2019	-	3,476,547
Airport Improvement Program	20.106	AIP-03-06-0126-014-2019	-	1,880,641
Airport Improvement Program	20.106	AIP-03-06-0024-024-2020	-	274,883
Airport Improvement Program	20.106	AIP-03-06-0024-025-2020	-	88,228
Subtotal CFDA 20.106			-	5,757,271
Highway Planning and Construction	20.205	BRLO-5948-(074)	-	139,118
Highway Planning and Construction	20.205	BRLO-5948-(076)	-	181,706
Highway Planning and Construction	20.205	BRLO-5948-(085)	-	3,188
Highway Planning and Construction	20.205	HSIPL-5948-(090)	-	172,420
Highway Planning and Construction	20.205	BPMPL 5948 (093)	-	110,884
Highway Planning and Construction	20.205	HSIPL-5948-(094)	-	9,579
Subtotal Highway Planning and Construction Cluster			-	616,895
Metropolitan and Statewide and Non Metropolitan Transportation Planning	20.514	Sustainable Communities 74A1015	-	84,853
Total U.S. Department of Transportation			-	6,490,019
<b>U.S. Department of the Treasury</b>				
Direct Program:				
COVID-19 Coronavirus Relief Fund	21.019	N/A	-	631,604
Total U.S. Department of the Treasury			-	631,604



**COUNTY OF INYO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
(Continued)

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Energy</b>				
Direct Program:				
Yucca Mountain Oversight Grant	81.065	N/A	-	23,779
Total U.S. Department of Energy			-	23,779
<b>Election Assistance Commission</b>				
Direct Program:				
Help America Vote Act - Election Security Grant	90.404	N/A	-	10,000
Total Election Assistance Commission			-	10,000
<b>U.S. Department of Health and Human Services</b>				
Passed through California Department of Child Support Services:				
Child Support Enforcement	93.563	N/A	-	684,108
Passed through California Department of Social Services:				
Promoting Safe and Stable Families	93.556	N/A	-	14,450
Temporary Assistance for Needy Families	93.558	N/A	-	848,823
Refugee Administration	93.566	N/A	-	5,541
Community-Based Child Abuse Prevention Grants	93.590	N/A	-	28,207
Stephanie Tubbs Jones Child Welfare Services Program	93.645	N/A	-	247,023
Foster Care - Title IV-E	93.658	N/A	-	515,860
Adoption Assistance Program	93.659	N/A	-	61,682
Chafee Foster Care Independence Program	93.674	N/A	-	6,645
Passed through State Department of Aging:				
Title VII Elder Abuse Prevention	93.041	N/A	-	621
Title VII Ombudsmen	93.042	N/A	-	34,693
IIID Prevention Services	93.043	N/A	-	3,556
IIIE: NFCSP	93.052	N/A	-	30,398
IIIB: Supportive Services	93.044	N/A	-	128,318
Title III, Part C, Nutrition Services	93.045	N/A	-	253,607
Nutrition Services Incentive Program	93.053	N/A	-	46,358
Subtotal Aging Cluster			-	428,283
Passed through State Department of Public Health:				
Maternal and Child Health Federal Consolidated Programs	93.110	N/A	-	118,546
Immunization Cooperative Agreements	93.268	N/A	-	37,170
CARES Program-Ryan White AIDS Consortium	93.917	N/A	-	31,436
AIDS Surveillance	93.944	N/A	-	3,352
Public Health Emergency Preparedness	93.069	N/A	-	93,620
Hospital Preparedness Program	93.074	N/A	-	111,211
Passed through State Department of Health Care Services:				
California Children's Service-Admin	93.767	N/A	-	53,929
California Children's Service-Treatment	93.767	N/A	-	3,850
Subtotal CFDA 93.767			-	57,779
Medi-Cal Assistance Program	93.778	N/A	-	646,996
Medi-Cal Administrative Services	93.778	N/A	-	74,297
Subtotal Medicaid Cluster			-	721,293
Maternal and Child Health Services Block Grant to the States	93.994	N/A	-	50,020
Passed through the State Department of Mental Health:				
SAMHSA: Substance Abuse Mental Health Svc. Admin	93.958	N/A	-	320,039
Passed through State Department of Alcohol and Drug Abuse:				
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	N/A	-	431,377
Total Department of Health and Human Services			-	4,885,733

**COUNTY OF INYO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
(Continued)

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Homeland Security</b>				
Passed through Governor's Office of Emergency Services:				
State Homeland Security Program (EMPG)	97.042	2019-0003, CalOES ID:027-0000	-	66,246
State Homeland Security Program (HSGP)	97.067	2017-0083, CalOES ID:027-0000	-	21,186
State Homeland Security Program (HSGP)	97.067	2018-0054, CalOES ID:027-0000	-	26,412
State Homeland Security Program (HSGP)	97.067	2019-0035, CalOES ID:027-0000	-	59,907
Total U.S. Department of Homeland Security			-	<u>173,751</u>
Total Expenditures of Federal Awards			\$ -	<u>\$ 14,288,508</u>

**COUNTY OF INYO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**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 (CFDA) NUMBERS**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or Beta.Sam.gov. When no CFDA number 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 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

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

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

**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, 2020, 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, 2020:

Federal CFDA No.	Program Title	SEFA June 30, 2020	FY19/20 Paydowns	Financial Statements Balance June 30, 2020
14.239	HOME Investment Partnership Program	\$ 780,000	\$ -	\$ 780,000

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

The table below summarizes the State expenditures incurred by Title as required by the California Department of Aging:

Title VII Ombudsman	\$ 22,909
Title IIIB Supportive Services	47,651
Title III Part C Nutrition Services	<u>294,903</u>
	<u>\$ 365,463</u>

**COUNTY OF INYO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**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?

  X   Yes        No

Significant deficiencies identified that are not considered to be material weaknesses?

       Yes   X   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 2CFR section 200.516(a)?

       Yes   X   No

**Identification of major programs:**

CFDA Number  
20.106

Name of Federal Program or Cluster  
Airport Improvement Program

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, 2020**  
(Continued)

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding 2020-001 Capital Assets Reconciliation (Material Weakness)**

**Criteria:** The County’s year-end financial closing process was not complete or accurate as it relates to Capital Assets. The lack of a complete and proper close resulted in audit adjustments during the annual audit.

**Condition:** As described in the California State Controller’s “2015 Internal Control Guidelines” an effective internal control system and timely financial reporting of all financial activity provides reasonable assurance for the safeguarding of assets, the reliability of financial information, and compliance with laws and regulations.

**Cause:** Capital asset information is maintained in the County’s accounting system. The system generated schedules for capital assets were not fully reconciled to the General Ledger during the closing process. In addition, there were adjustments/transfers of assets that were not properly reflected in the accounting system. This is partially due to the County having significant disruptions as a result of the COVID-19 pandemic.

**Effect:** Capital assets were initially materially misstated, which required journal entries to be posted subsequent to receiving the County’s final trial balance.

**Recommendation:** We recommend that the County perform the following steps in order to address the matters described above:

- Create a closing checklist to assist with the preparation of audit schedules that are complete, accurate, and reconcile to the County’s general ledger account balances.
- Consider reconciling capital assets on a monthly basis.
- Provide additional training to departmental staff so they are aware of how to record all capital asset activity.

**Management’s Response:** See client’s corrective action plan.

**COUNTY OF INYO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
(Continued)

**SECTION II – FINANCIAL STATEMENT FINDINGS** (Continued)

**Finding 2020-002 Revenue Recognition (Material Weakness)**

**Criteria:** The County’s year-end financial closing process was not complete or accurate as it relates to Revenue Recognition over funding received from the State of California. The lack of a complete and proper close resulted in audit adjustments during the annual audit.

**Condition:** As described in the California State Controller’s “2015 Internal Control Guidelines” an effective internal control system and timely financial reporting of all financial activity provides reasonable assurance for the safeguarding of assets, the reliability of financial information, and compliance with laws and regulations.

**Cause:** In prior years the County has not had a proper practice of accruing and/or not recognizing certain revenues in the correct period. This is due to how revenues are treated and recorded throughout the year and at year-end as part of the closing process. Additionally, in the current year the County experienced significant disruptions as a result of the COVID-19 pandemic.

**Effect:** Due From Other Governments, Unavailable Revenues, and Revenues were initially materially misstated, which required journal entries to be posted subsequent to receiving the County’s final trial balance.

**Recommendation:** We recommend that the County create a closing checklist to assist with the preparation of audit schedules that are complete, accurate, and reconcile to the revenue information provided by the California State Controller’s Office.

**Management’s Response:** See client’s corrective action plan.

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

None reportable.

**COUNTY OF INYO  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

**FINANCIAL STATEMENT FINDINGS**

None reportable.

**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, 2020**

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2019	For the Year Ended June 30, 2020	Cumulative As of June 30, 2020	Federal Share	State Share	County Share
2017 HSGP 2017-0086						
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	23,501	21,186	44,687	21,186	-	-
Equipment	48,917	-	48,917	-	-	-
Totals	<u>\$ 72,418</u>	<u>\$ 21,186</u>	<u>\$ 93,604</u>	<u>\$ 21,186</u>	<u>\$ -</u>	<u>\$ -</u>
2018 HSGP 2018-0054						
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	-	26,412	26,412	26,412	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 26,412</u>	<u>\$ 26,412</u>	<u>\$ 26,412</u>	<u>\$ -</u>	<u>\$ -</u>
2019 HSGP 20019-0035						
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	-	59,907	59,907	59,907	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 59,907</u>	<u>\$ 59,907</u>	<u>\$ 59,907</u>	<u>\$ -</u>	<u>\$ -</u>
2019 EMPG 2019-0003						
Personal services	\$ -	\$ 61,534	\$ 61,534	\$ 61,534	\$ -	\$ -
Operating expenses	-	4,712	4,712	4,712	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 66,246</u>	<u>\$ 66,246</u>	<u>\$ 66,246</u>	<u>\$ -</u>	<u>\$ -</u>
Victim Witness Assistance Program VW 18 27 0140						
Personal services	\$ -	\$ -	\$ 51,224	\$ 51,224	\$ -	\$ -
Operating expenses	-	-	13,350	13,350	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,574</u>	<u>\$ 64,574</u>	<u>\$ -</u>	<u>\$ -</u>
Victim Witness Assistance Program VW 19 28 0140						
Personal services	\$ -	\$ -	\$ 146,537	\$ 129,875	\$ 16,663	\$ -
Operating expenses	-	-	33,622	31,622	2,000	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,159</u>	<u>\$ 161,497</u>	<u>\$ 18,663</u>	<u>\$ -</u>

**COUNTY OF INYO  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2020**

Amy Shepherd  
Auditor-Controller  
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**COUNTY OF INYO**  
OFFICE OF THE AUDITOR-CONTROLLER  
P. O. Drawer R  
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**County of Inyo  
CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2020**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2020-001	The recommendations are logical and County staff will work towards implementing a closing checklist to ensure the capital assets are reconciled completed by the closing date for the financial statements. A second review will also be put in place to ensure the reconciliation is completed however is based on staff availability.	01/31/2022	Amy Shepherd, Auditor Controller
2020-002	The County will work towards implementing a new reconciliation process of all state apportionments in each department, which will be reviewed by the Auditor's office for completeness.	03/30/2020	Amy Shepherd, Auditor-Controller

Name: Amy Shepherd  
Title Auditor-Controller