



COUNTY OF SUTTER, CALIFORNIA

JUNE 30, 2021

SINGLE AUDIT REPORT

Focused
on YOU



COUNTY OF SUTTER, CALIFORNIA

SINGLE AUDIT REPORT

JUNE 30, 2021

COUNTY OF SUTTER, CALIFORNIA

SINGLE AUDIT REPORT

JUNE 30, 2021

TABLE OF CONTENTS

| | <u>Page Number</u> |
|---|------------------------|
| 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 <i>Government Auditing Standards</i> | 1 |
| Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance | 3 |
| Schedule of Expenditures of Federal Awards for the Fiscal Year Ended June 30, 2021..... | 6 |
| Notes to the Schedule of Expenditures of Federal Awards | 10 |
| Schedule of Findings and Questioned Costs for the Fiscal Year Ended June 30, 2021..... | 11 |
| Schedule of Prior Year Findings and Questioned Costs for the Fiscal Year Ended June 30, 2020..... | 14 |



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*

To the Board of Supervisors and Grand Jury
County of Sutter, 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 Sutter, California, (the County) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 30, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for 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. However, material weaknesses may exist that have not been identified. We did identify the following deficiency in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a significant deficiency: Finding 2021-001 – Public Guardian Cash Account.



To the Board of Supervisors and Grand Jury
County of Sutter, California

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 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

The County's response to the findings identified in our audit 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 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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Sacramento, California
June 30, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Supervisors and Grand Jury
County of Sutter, California

Report on Compliance for Each Major Federal Program

We have audited the County of Sutter (the County), California's 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, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2021.

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.

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.



To the Board of Supervisors and Grand Jury
County of Sutter, California

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 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 item 2021-002. Our opinion on each major federal program is not modified with respect to this matter.

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

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 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.



To the Board of Supervisors and Grand Jury
County of Sutter, California

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 2021-002 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.

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 the internal control over compliance 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 Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 30, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole

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.

A handwritten signature in cursive script that reads "Lance, Soll & Lughard, LLP".

Sacramento, California

September 28, 2022 (Except for the Report on Schedule of Expenditures of Federal Awards required by Uniform Guidance dated June 30, 2022)

COUNTY OF SUTTER

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

| <i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i> | <i>Assistance Listing</i> | <i>Grant Identifying Number</i> | <i>Pass-Through Entity Identifying Number</i> | <i>Passed Through to Subrecipients</i> | <i>Total Federal Expenditures</i> |
|--|-------------------------------|-------------------------------------|---|--|---------------------------------------|
| SNAP Cluster* | | | | | |
| Department of Agriculture Pass-Through Programs from: | | | | | |
| State of California Department of Public Health | | | | | |
| Special Supplemental Nutrition Programs for Women, Infants, & Children | 10,557 | 15-10121 | 79-915-0615 | | \$ 748,797 |
| Supplemental Nutrition Assistance Program Administrative Match | 10,561 | 16-10172 | 79-915-0615 | | 87,271 |
| Nutrition Assistance Program | 10,561 | Not Available | 79-915-0615 | | 2,019,344 |
| Subtotal - Assistance Listings 10,557 and 10,561 | | | | | <u>2,855,412</u> |
| Total Department of Agriculture Programs | | | | | <u>2,855,412</u> |
| Total SNAP Cluster | | | | | <u>2,855,412</u> |
| Highway Planning and Construction Cluster | | | | | |
| Federal Highway Administration Pass-Through Programs from: | | | | | |
| State of California Department of Transportation | | | | | |
| Highway Planning and Construction Cluster- Larkin Rd Bridge at Sutter Buttes Bridge | 20,205 | St & Hiway Code Sec 1 | 84-088-1648 | | 1,654 |
| Highway Planning and Construction Cluster- Nicolaus Ave at Coon Creek Bridge | 20,205 | St & Hiway Code Sec 1 | 84-088-1648 | | 1,654 |
| Highway Planning and Construction Cluster- Tisdale Rd Bridge 57 Replacement | 20,205 | St & Hiway Code Sec 1 | 84-088-1648 | | 27,319 |
| Highway Planning and Construction Cluster- Howsley Rd Bridge Replacement | 20,205 | St & Hiway Code Sec 1 | 84-088-1648 | | 94,327 |
| Highway Planning and Construction Cluster- Kent Ave Bridge Replacement | 20,205 | St & Hiway Code Sec 1 | 84-088-1648 | | 5,354 |
| Highway Planning and Construction Cluster- Bridge Preventative Maintenance 2013 | 20,205 | St & Hiway Code Sec 1 | 84-088-1648 | | 23,869 |
| Highway Planning and Construction Cluster- Federal Exchange | 20,205 | St & Hiway Code Sec 1 | 84-088-1648 | | 185,383 |
| Subtotal 20,205 | | | | | <u>339,560</u> |
| Total Federal Highway Administration Programs | | | | | <u>339,560</u> |
| Total Highway Planning and Construction Cluster | | | | | <u>339,560</u> |
| 477 Cluster | | | | | |
| Department of Health and Human Services Pass-Through Programs from: | | | | | |
| California Work Opportunity and Responsibility to Kids | | | | | |
| CalWORKs Home Visiting Program | 93,558 | Not Applicable | Not Applicable | | 205,020 |
| State of California Department of Social Services | | | | | |
| Temporary Assistance for Needy Families | 93,558 | Not Available | 61-367-3185 | | 1,365,792 |
| Temporary Assistance for Needy Families | 93,558 | Not Available | 61-367-3185 | | 3,084,056 |
| Temporary Assistance for Needy Families | 93,558 | Not Available | 61-367-3185 | | 444,642 |
| Temporary Assistance for Needy Families | 93,558 | Not Available | 61-367-3185 | | 1,764,382 |
| Temporary Assistance for Needy Families | 93,558 | Not Available | 61-367-3185 | | 551,713 |
| Temporary Assistance for Needy Families | 93,558 | Not Available | 61-367-3185 | | 142,226 |
| Subtotal 93,558 | | | | | <u>7,557,831</u> |
| Total Department of Health and Human Services Programs | | | | | <u>7,557,831</u> |
| Total 477 Cluster | | | | | <u>7,557,831</u> |
| Medicaid Cluster | | | | | |
| Department of Health and Human Services Pass-Through Programs from: | | | | | |
| State of California Department of Health Care Services | | | | | |
| Medical Assistance Program/ Children's Health Insurance Program (Medi-Cal/TLICP/CCS) | 93,778 | Not Applicable | 79-652-8263 | | 290,510 |
| Medical Assistance Program-Foster Care (Health) | 93,778 | Not Applicable | 79-652-8263 | | 52,773 |
| Medical Assistance Program-CHDP | 93,778 | Not Applicable | 79-652-8263 | | 11,716 |
| Medical-Cal Health Enrollment Navigators Project | 93,778 | Not Available | 79-652-8263 | | 739,172 |
| Medical Assistance Program | 93,778 | Not Available | 79-652-8263 | | 4,332,577 |
| State of California Department of Social Services | | | | | |
| Medical Assistance Program | 93,778 | Not Available | 61-367-3185 | | 393,745 |
| Subtotal 93,778 | | | | | <u>5,875,765</u> |
| Total Department of Health and Human Services Programs | | | | | <u>5,875,765</u> |
| Total Medicaid Cluster | | | | | <u>5,875,765</u> |

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

COUNTY OF SUTTER

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

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Assistance Listing | Grant Identifying Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|---|-----------------------|-----------------------------|---|---------------------------------------|-------------------------------|
| Other Programs | | | | | |
| Department of Agriculture Pass-Through Programs from: | | | | | |
| State of California Department of Food and Agriculture | | | | | |
| Cooperative Forestry Assistance | 10.664 | CA-SNF-001391 | 80-748-7665 | | 23,682 |
| Subtotal Assistance Listing 10,664 | | | | | <u>23,682</u> |
| State of California Department of Food and Agriculture | | | | | |
| Plant and Animal Disease, Pest Control, and Animal Care | 10,025 | AP19PPQF0000C009 | 80-748-7665 | | 4,500 |
| Plant and Animal Disease, Pest Control, and Animal Care | 10,025 | AP18PPQF0000C500 | 80-748-7665 | | 1,183 |
| Plant and Animal Disease, Pest Control, and Animal Care | 10,025 | AP19PPQF0000C447 | 80-748-7665 | | 15,436 |
| Plant and Animal Disease, Pest Control, and Animal Care | 10,025 | AP19PPQF0000C546 | 80-748-7665 | | 12,858 |
| Plant and Animal Disease, Pest Control, and Animal Care | 10,025 | AP19PPQF0000C001 | 80-748-7665 | | 1,289 |
| Plant and Animal Disease, Pest Control, and Animal Care | 10,025 | AP19PPQF0000C001 | 80-748-7665 | | 1,603 |
| Plant and Animal Disease, Pest Control, and Animal Care | 10,025 | AP20PPQF0000C001 | 80-748-7665 | | 15,485 |
| Plant and Animal Disease, Pest Control, and Animal Care | 10,025 | AP21,PPQF0000C001 | 80-748-7665 | | 7,516 |
| Plant and Animal Disease, Pest Control, and Animal Care | 10,025 | AP21PPQF0000C001 | 80-748-7665 | | 10,104 |
| Plant and Animal Disease, Pest Control, and Animal Care | 10,025 | AP21PPQF0000C001 | 80-748-7665 | | 6,078 |
| Subtotal Assistance Listing 10,025 | | | | | <u>76,032</u> |
| Department of Housing and Urban Development Pass-Through Programs from: | | | | | |
| State of California Department of Housing and Community Development | | | | | |
| Community Development Block Grants* | 14,228 | Program Income | 02-122-5490 | | 449 |
| Community Development Block Grants (Beginning Loans Balance)* | 14,228 | EDGB | 02-122-5490 | | 468,904 |
| Community Development Block Grants (Beginning Loans Balance)* | 14,228 | CDBG | 02-122-5490 | | 966,747 |
| Subtotal Assistance Listing 14,228 | | | | | <u>1,436,100</u> |
| Home Investments Partnerships Program | | | | | |
| 2010 HOME Program (Beginning Loans Balance) | 14,239 | Not Available | 02-122-5490 | | 47,775 |
| Total Department of Housing and Urban Development Programs | | | | | <u>1,483,875</u> |
| Department of Justice Direct Programs: | | | | | |
| Federal Asset Forfeitures | | | | | |
| Subtotal - Assistance Listing 16,922 | 16,922 | Not Applicable | N/A | | 123,115 |
| | | | | | <u>123,115</u> |
| Department of Justice Pass-Through Programs from: | | | | | |
| State of California's Office of Emergency Services | | | | | |
| Crime Victim Assistance | 16,575 | Not Available | 94-743-6176 | | 69,204 |
| Crime Victim Assistance | 16,575 | Not Available | 94-743-6176 | | 224,777 |
| Crime Victim Assistance | 16,575 | Not Available | 94-743-6176 | | 84,733 |
| Crime Victim Assistance | 16,575 | Not Available | 94-743-6176 | | 73,600 |
| Crime Victim Assistance | 16,575 | Not Available | 94-743-6176 | | 117,185 |
| Crime Victim Assistance | 16,575 | Not Available | 94-743-6176 | | 52,075 |
| Subtotal - Assistance Listing 16,575 | | | | | <u>621,574</u> |
| City of Yuba | | | | | |
| Edward Byrne Justice Assistance Grant Program | 16,738 | Not Applicable | Not Applicable | | 6,881 |
| Edward Byrne Justice Assistance Grant Program | 16,738 | Not Applicable | Not Applicable | | 6,000 |
| Subtotal - Assistance Listing 16,738 | | | | | <u>12,881</u> |
| Total Department of Justice Programs | | | | | <u>757,570</u> |
| Department of Treasury Direct Programs | | | | | |
| CARES Act- Services & Supplies* | 21,019 | Not Applicable | Not Applicable | \$ 1,999,200 | 3,489,389 |
| CARES Act- Salaries & Benefits* | 21,019 | Not Applicable | Not Applicable | - | 6,815,147 |
| Subtotal - Assistance Listing 21,019 | | | | <u>1,999,200</u> | <u>10,304,536</u> |
| Total Department of Treasury | | | | <u>1,999,200</u> | <u>10,304,536</u> |
| Department of Organized Drug Enforcement Task Force Direct Program | | | | | |
| Organized Crime Drug Enforcement Task Force | 16,000 | Not Available | 805-625-720 | | 1,901 |
| Organized Crime Drug Enforcement Task Force | 16,000 | Not Available | 805-625-720 | | 9,644 |
| Total Department of Organized Drug Enforcement Task Force | | | | | <u>11,545</u> |
| Department of Education Pass-Through Programs from: | | | | | |
| State of California Department of Education | | | | | |
| Ca Dept Ed-Citizenship | 84,002A | Not Available | 80-748-0843 | | 74,312 |
| Ca Dept Ed-ABE/ESL | 84,002A | Not Available | 80-748-0843 | | 137,327 |
| Subtotal - Assistance Listing 84,002A | | | | | <u>211,639</u> |
| Total Department of Education Programs | | | | | <u>211,639</u> |
| Department of U.S. Election Assistance Commission Pass-Through Programs from: | | | | | |
| State of California Secretary of State | | | | | |
| Help America Vote Polling Place Accessibility Training Program | 39,011 | 18G26151 | Not Applicable | | 5,066 |
| Help America Vote Act COVID-19 | 90,404 | 20G26151 | Not Applicable | | 181,728 |
| Department of Health and Human Services Pass-Through Programs from: | | | | | |
| State of California Department of Public Health | | | | | |
| Public Health Emergency Preparedness | 93,069 | 17-10204 | 79-915-0615 | | 158,812 |
| Project Grants and Cooperative Agreements for Tuberculosis Control programs | 93,116 | Not Applicable | 79-915-0615 | | 7,147 |
| Childhood Lead Poisoning Prevention Projects State and Local Childhood Lead | | | | | |
| Poisoning Prevention and Surveillance of Blood Lead Levels in Children | 93,197 | 17-10235 | 79-915-0615 | | 7,474 |
| Immunization Grants | 93,268 | 17-10357 | 79-915-0615 | | 58,615 |
| Epidemiology and Laboratory Capacity for Infectious Diseases Enhancing* | 93,323 | 4103 - 192 | 79-915-0615 | | 798,574 |
| Epidemiology and Laboratory Capacity for Infectious Diseases Expansion* | 93,323 | 4103 - 765 | 79-915-0615 | | 583,162 |
| COVID-19 Crisis Response Funding | 93,354 | Not Applicable | 79-915-0615 | | 318,556 |

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

COUNTY OF SUTTER

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

| <i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i> | <i>Assistance Listing</i> | <i>Grant Identifying Number</i> | <i>Pass-Through Entity Identifying Number</i> | <i>Passed Through to Subrecipients</i> | <i>Total Federal Expenditures</i> |
|--|-------------------------------|--------------------------------------|---|--|---------------------------------------|
| State of California Department of Social Services | | | | | |
| Guardianship Assistance | 93,090 | Not Available | 61-367-3185 | | 35,808 |
| Promoting Safe and Stable Families | 93,556 | Not Available | 61-367-3185 | | 11,049 |
| Refugee Cash Assistance | 93,566 | Not Available | 61-367-3185 | | 18,692 |
| Stephanie Tubbs Jones Child Welfare Services Program | 93,645 | Not Available | 61-367-3185 | | 463,888 |
| Foster Care Title IV-E* | 93,658 | Not Available | 61-367-3185 | | 158,596 |
| Foster Care Title IV-E* | 93,658 | Not Available | 61-367-3185 | | 576 |
| Foster Care Title IV-E* | 93,658 | Not Available | 61-367-3185 | | 3,790 |
| Foster Care Title IV-E* | 93,658 | Not Available | 61-367-3185 | | 49 |
| Foster Care Title IV-E* | 93,658 | Not Available | 61-367-3185 | | 79,926 |
| Foster Care Title IV-E* | 93,658 | Not Available | 61-367-3185 | | 1,326 |
| Foster Care Title IV-E* | 93,658 | Not Available | 61-367-3185 | | 5,225 |
| Foster Care Title IV-E* | 93,658 | Not Available | 61-367-3185 | | 996,869 |
| Foster Care Title IV-E* | 93,658 | Not Available | 61-367-3185 | | 32,638 |
| Foster Care Title IV-E* | 93,658 | Not Available | 61-367-3185 | | 100,007 |
| Foster Care Title IV-E* | 93,658 | Not Available | 61-367-3185 | | 131 |
| Foster Care Title IV-E* | 93,658 | Not Available | 61-367-3185 | | 1,362,051 |
| Subtotal - Assistance Listing 93.658 | | | | | <u>2,741,184</u> |
| Adoption Assistance* | 93,659 | Not Available | 61-367-3185 | | 39,713 |
| Adoption Assistance* | 93,659 | Not Available | 61-367-3185 | | 2,965,027 |
| Subtotal - Assistance Listing 93.659 | | | | | <u>3,004,756</u> |
| Social Services Block Grant | 93,667 | Not Available | 61-367-3185 | | 58,996 |
| Social Services Block Grant | 93,667 | Not Available | 61-367-3185 | | 128,053 |
| Subtotal - Assistance Listing 93.667 | | | | | <u>187,049</u> |
| Chafee Foster Care Independence Program | 93,674 | Not Available | 61-367-3185 | | 30,072 |
| State of California Department of Health Care Services | | | | | |
| Project for Assistance in Transition for Homelessness | 93,150 | Not Available | 79-915-0615 | | 52,215 |
| Block Grants for Community Mental Health Services | 93,958 | Not Available | 79-915-0615 | | 219,899 |
| Maternal and Child Health Services Block Grant to the States (MCH) | 93,994 | 2018-51 | 79-915-0615 | | 145,709 |
| State of California Department of Child Support Services | | | | | |
| Child Support Enforcement | 93,563 | Not Available | 19-674-9068 | | 1,329,873 |
| State of California Department of Alcohol and Drug Program | | | | | |
| Block Grants for Prevention and Treatment of Substance Abuse | 93,959 | Not Available | 94-908-8447 | | 1,052,916 |
| Total Department of Health and Human Services Programs | | | | | <u>11,225,452</u> |
| Department of Homeland Security Direct Programs: | | | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97,036 | Not Applicable | Not Applicable | | 229,265 |
| Staffing for Adequate Fire and Emergency Response (SAFER) | 97,083 | Not Applicable | Not Applicable | | 326,280 |
| Department of Homeland Security Pass-Through Programs from: | | | | | |
| California Governor's Office of Emergency Services | | | | | |
| Emergency Management Performance Grant | 97,042 | #2018-0008, Cal OES ID: 101-00000 | 94-743-6176 | | 47,787 |
| Local Hazard Mitigation Grant | 97,039 | FEMA-4344-DR-CA | 94-743-6176 | | 114,134 |
| Homeland Security Grant Program | 97,067 | #2018-0054, CalOES ID: 101-00000 | 94-743-6176 | | 84,308 |
| Homeland Security Grant Program | 97,067 | #2019-0035, CalOES ID: 101-00000 | 94-743-6176 | | 124,768 |
| Subtotal - Assistance Listing 93.667 | | | | | <u>209,076</u> |
| Total Department of Homeland Security Programs | | | | | <u>926,542</u> |
| Total Other Programs | | | | | <u>25,207,667</u> |
| Total Expenditures of Federal Awards | | | | | <u>\$ 41,836,235</u> |

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

COUNTY OF SUTTER

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

| <i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i> | <i>Assistance Listing</i> | <i>Grant Identifying Number</i> | <i>Pass-Through Entity Identifying Number</i> | <i>Passed Through to Subrecipients</i> | <i>Total Federal Expenditures</i> |
|--|-------------------------------|-------------------------------------|---|--|---------------------------------------|
| CORONAVIRUS EMERGENCY ACTS FUNDING RECONCILIATION | | | | | |
| Department of Treasury Direct Programs: | | | | | |
| CARES Act- Services & Supplies* | 21,019 | Not Applicable | Not Applicable | \$ 1,999,200 | \$ 3,489,389 |
| CARES Act- Salaries & Benefits* | 21,019 | Not Applicable | Not Applicable | - | 6,815,147 |
| Total Department of Treasury Programs | | | | 1,999,200 | 10,304,536 |
| Department of Health and Human Services Pass-Through Programs from: | | | | | |
| State of California Department of Public Health COVID-19 Crisis Response Funding | 93,354 | Not Applicable | 79-915-0615 | | 318,556 |
| Total Department of Health and Human Services Programs | | | | | 318,556 |
| Department of U.S. Election Assistance Commission Pass-Through Programs from: | | | | | |
| State of California Secretary of State Help America Vote Act COVID-19 | 90,404 | 20G26151 | Not Applicable | | 181,728 |
| Total Department of U.S. Election Assistance Commission | | | | | 181,728 |
| Total Coronavirus Emergency Acts Funding | | | | | \$ 10,804,820 |

* Major Program

¹ There was no federal awards expended in the form of noncash assistance and insurance in effect during the year.

COUNTY OF SUTTER

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

Note 1: Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

a. Scope of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the County of Sutter, California (the "County") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the 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). 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.

b. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the County becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 2: Medicaid Cluster

Except for Medi-Cal administrative expenditures, Medicaid (Medi-Cal) and Medicare program expenditures are excluded from the Schedule. These expenditures represent fees for services; therefore, neither is considered a federal award program of the County for purposes of the Schedule or in determining major programs. The County assists the State of California in determining eligibility and provides Medi-Cal and Medicare services through County-owned health facilities. Medi-Cal administrative expenditures are included in the Schedule as they do not represent fees for services.

Note 3: Loan Programs with Continuing Compliance Requirements

The following schedule presents the amount of outstanding loans receivable by Assistance Listing number. All loans with continuing compliance requirements are included on the accompanying Schedule. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule.

The balance of loans outstanding at June 30, 2021, consists of:

| Assistance Listing No. | Federal Program | Outstanding Loans at June 30, 2021 |
|---------------------------|------------------------------------|---------------------------------------|
| 14.228 | Community Development Block Grants | \$ 858,666 |
| 14.228 | Economic Development Block Grant | 379,162 |
| 14.239 | 2010 Home Program | 47,775 |
| | Total | <u>\$ 1,285,603</u> |

COUNTY OF SUTTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

• Significant deficiencies identified? yes none reported

• Material weaknesses identified? yes no

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

• Significant deficiencies identified? yes none reported

• Material weaknesses identified? yes no

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? yes no

Identification of major programs:

| <u>Assistance Listing Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-------------------------------------|--|
| 10.557 & 10.561 | SNAP Cluster |
| 14.228 | Community Development Block Grant |
| 21.019 | Coronavirus Relief Fund |
| 93.323 | Epidemiology and Laboratory Capacity for Infectious Diseases |
| 93.658 | Foster Care Title IV-E |
| 93.659 | Adoption Assistance Title IV-E |

Dollar threshold used to distinguish between type A and type B program \$1,209,732

Auditee qualified as low-risk auditee? yes no

COUNTY OF SUTTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

Public Guardian Cash Account

Reference Number: 2021-001

Evaluation of Finding:
Significant Deficiency

Condition:
During our review over bank reconciliations, it was discovered that the public guardian cash account was not properly reconciled and had a significant variance when compared to the bank balance which required adjustment to the financial statement.

Criteria:
All cash accounts of the County should be reconciled on a timely basis each month to ensure general ledger balances are accurate.

Cause of Condition:
The account was not properly reconciled as of our fieldwork date.

Effect or Potential Effect of Condition:
The account was not properly reconciled as of our fieldwork date.

Recommendation:
We recommend the County ensure all cash accounts throughout the County are reconciled on a timely basis to ensure any unusual items are investigated and addressed.

Management's Response and Corrective Action:
Management agrees with the finding. The Public Guardian and her staff will regularly reconcile their bank statement to the county's financial system. Additionally, they will meet with the Auditor-Controller to update department procedures.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Community Development Block Grant Documentation

Finding 2021-002: Loan Compliance
Material Weakness

Federal Award Information:
Assistance Listing Number: 14.228
Program Title: Community Development Block Grant
Federal Award Year(s): FY 2020-21
Name of Federal Agency: U.S. Department of Housing and Urban Development
Passed through: State of California Department of Housing and Community Development

Criteria or Specific Requirement:
The County was unable to provide supporting documentation for a material amount of Community Development Block Grant loan balances for the year ended June 30, 2021.

COUNTY OF SUTTER

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Condition:

We noted that of the 27 loan balances that we sampled over the course of our audit, the County was unable to provide supporting documentation for 15 of the selected loans.

Cause of the Condition:

Per our inquiries with the County, due to the significant age of the selected loans, County personnel was unable to obtain the supporting documentation as a significant number of the selected loans had inception dates of ten years or more.

Effect or Possible Effect:

Adequate supporting documentation of outstanding loans are not being effectively maintained and archived by County personnel.

Questioned Costs:

\$424,332.64

Context:

We selected a sample of 27 outstanding loan balances, of which County personnel were unable to provide supporting documentation for in the amount of \$424,332.64.

Repeat Finding:

This is a new finding for the fiscal year ended June 30, 2021.

Recommendation:

We recommend that management properly and effectively archive all outstanding loans upon inception of future loans to ensure required recordkeeping is being achieved.

Management's Response and Corrective Action:

The County agrees with the finding. The Development Services Department will submit copies of new loan documents to the Auditor-Controller's Office where they will be maintained for the life of the loan.

COUNTY OF SUTTER



NATHAN M. BLACK, CPA

AUDITOR-CONTROLLER

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Finding: 2020-001: Accounts Payable

Appropriate corrective actions were taken; this finding is considered resolved and is not repeated in the fiscal year ended June 30, 2021.

COUNTY OF SUTTER



NATHAN M. BLACK, CPA

AUDITOR-CONTROLLER

CORRECTIVE ACTION PLAN

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding(s): 2021-001

Name of Contact Person: Nathan Black, Auditor-Controller

Corrective Action: The County will ensure the Public Guardian and staff will regularly reconcile their bank statement to the County's financial system. Additionally, there will be meetings with the Auditor-Controller to update department procedures.

Proposed Completion Date: 12/31/2022

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding(s): 2021-002

Name of Contact Person: Nathan Black, Auditor-Controller

Corrective Action: The Development Services Department will submit copies of new loan documents to the Auditor-Controller's Office where they will be maintained for the life of the loan.

Proposed Completion Date: 12/31/2022