

County of Inyo | Independence, CA

Single Audit Report

For the Year Ended June 30, 2023



PRICE PAIGE & COMPANY
Certified Public Accountants

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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, 2023, 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 14, 2025.

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. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

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 2023-002.

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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Pange & Company

Clovis, California
January 14, 2025



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, 2023. 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, 2023.

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.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611
tel 559.299.9540
fax 559.299.2344

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 are described in the accompanying schedule of findings and questioned costs as item 2023-002. 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 compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements. We issued our report thereon dated January 14, 2025, 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 Pange & Company

Clovis, California
January 14, 2025

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed through State Department of Social Services:				
Administrative Matching Grant for CalFresh (SNAP) Programs	10.561	--	\$ -	\$ 662,743
Subtotal SNAP Cluster			-	662,743
Passed through California Department of Public Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	--	-	327,655
Total U.S. Department of Agriculture			-	990,398
U.S. Department of Housing and Urban Development				
Passed through the State Department of Housing and Urban Development:				
HOME Investment Partnership Program	14.239	--	-	380,000
Total U.S. Department of Housing and Urban Development			-	380,000
U.S. Department of Justice				
Passed through the California Emergency Management Agency:				
Crime Victim Witness Assistance Program	16.575	VW22 31 0140	-	128,988
Crime Victim Witness Assistance Program	16.575	VW21 30 0140	-	49,987
Subtotal ALN 16.575			-	178,975
Total U.S. Department of Justice			-	178,975
U.S. Department of Labor				
Passed through Kern County:				
Workforce Investment Act - Adult Program (WIOA)	17.258	--	-	69,035
Subtotal WIOA Cluster			-	69,035
Total U.S. Department of Labor			-	69,035
U.S. Department of Transportation				
Passed through California Department of Transportation:				
Airport Improvement Program	20.106	AIP 3-06-0024-025-2020	-	161,965
Airport Improvement Program	20.106	AIP 3-06-0126-018-2023	-	42,195
COVID 19 Airport Rescue Grant	20.106	ARGO 3-06-0126-017-2022	-	12,442
Subtotal ALN 20.106			-	216,602
Highway Planning and Construction	20.205	ER-15J9(039)	-	35,028
Highway Planning and Construction	20.205	ER-15J9(041)	-	994,013
Highway Planning and Construction	20.205	BRLO-5948-(074)	-	7,875
Highway Planning and Construction	20.205	BRLO-5948-(076)	-	55,031
Subtotal ALN 20.205			-	1,091,947
Total U.S. Department of Transportation			-	1,308,549
U.S. Department of the Treasury				
Direct Program:				
Local Assistance and Tribal Consistency Funds	21.032	--	-	113,250
Total U.S. Department of the Treasury			-	113,250
The Institute of Museum and Library Services				
Passed through California State Library:				
Native American and Native Hawaiian Library Services	45.311	LS-249951-OLS-21	-	18,585
Total Institute of Museum and Library Services			-	18,585
U.S. Department of Energy				
Direct Program:				
Yucca Mountain Oversight Grant	81.065	--	-	42,106
Total U.S. Department of Energy			-	42,106

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

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023

**Schedule of Expenditures of Federal Awards
(Continued)**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services				
Passed through California Department of Child Support Services:				
Child Support Enforcement	93.563	--	-	535,522
Passed through California Department of Social Services:				
Promoting Safe and Stable Families	93.556	--	-	3,926
Temporary Assistance for Needy Families	93.558	--	-	616,161
Community-Based Child Abuse Prevention Grants	93.590	--	-	21,009
Stephanie Tubbs Jones Child Welfare Services Program	93.645	--	-	12,361
Foster Care - Title IV-E	93.658	--	-	754,858
Adoption Assistance Program	93.659	--	-	120,443
Social Services Block Grant - Title XX	93.667	--	-	17,217
Chafee Foster Care Independence Program	93.674	--	-	20
Subtotal Pass-Through			-	1,545,995
Passed through State Department of Aging:				
Title VII Elder Abuse Prevention	93.041	--	-	543
Title VII Ombudsmen	93.042	--	-	35,170
Title IIIB: Supportive Services	93.044	--	-	132,736
Title III, Part C, Nutrition Services	93.045	--	-	214,278
Title IIIE: National Family Caregiver Support	93.052	--	-	4,903
Nutrition Services Incentive Program	93.053	--	-	40,998
Subtotal Aging Cluster			-	428,628
Passed through State Department of Public Health:				
Public Health Emergency Preparedness	93.069	--	-	56,446
Maternal and Child Health Federal Consolidated Programs	93.110	--	-	82,972
VPD Prevention & Control Immunization Grant	93.268	--	-	36,186
COVID 19 #3 Immunization Grant	93.268	--	-	44,585
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	--	-	523,930
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) Expansion	93.323	--	-	114,226
Health Emergency Preparedness	93.889	--	-	47,970
Subtotal Pass-Through			-	906,315
Passed through State Department of Health Care Services:				
California Children's Service-Admin	93.767	--	-	53,259
California Children's Service-Treatment	93.767	--	-	12,267
Subtotal ALN 93.767			-	65,526
Maternal and Child Health Services Block Grant to the States	93.994	--	-	8,344
Medi-Cal Assistance Program	93.778	--	-	639,968
Medi-Cal Administrative Services	93.778	--	-	49,637
Subtotal Medicaid Cluster			-	689,605
Passed through the State Department of Mental Health:				
SAMHSA: Substance Abuse Mental Health Svc. Admin	93.958	--	-	336,881
COVID-19 SAMHSA: Substance Abuse Mental Health SVC Admin ARPA	93.958	--	-	61,810
COVID-19 SAMHSA: Substance Abuse Mental Health SVC Admin CRSSA	93.958	--	-	12,468
Subtotal Pass-Through			-	411,159
Passed through State Department of Alcohol and Drug Abuse:				
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	--	-	394,475
COVID-19 Block Grants for Prevention and Treatment of Substance Abuse CRSSA	93.959	--	-	27,054
Subtotal Pass-Through			-	421,529
Total Department of Health and Human Services			-	5,012,623

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

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023

Schedule of Expenditures of Federal Awards

(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>
U.S. Department of Homeland Security				
Passed through Governor's Office of Emergency Services:				
Hazard Mitigation Grant Program	97.039	FEMA-4558-DR-CA, Project #PL02744, FIPS#027-00000		20,173
State Homeland Security Program (EMPG)	97.042	2021-0015, CalOES ID:027-0000	-	36,865
State Homeland Security Program (EMPG)	97.042	2022-0005, CalOES ID:027-0000	-	78,465
State Homeland Security Program (HSGP)	97.067	2021-0081, CalOES ID:027-0000	-	20,866
State Homeland Security Program (HSGP)	97.067	2022-0043, CalOES ID:027-0000	-	44,000
Total U.S. Department of Homeland Security			-	<u>200,369</u>
Total Expenditures of Federal Awards			\$ -	<u>\$ 8,313,890</u>

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

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 (the County), 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, in all material respects, 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, in all material respects, with amounts reported in the County’s basic financial statements.

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023

Notes to the Schedule of Expenditures of Federal Awards
(Continued)

NOTE 7 – PASS-THROUGH ENTITIES’ IDENTIFYING NUMBERS

When federal awards are 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 has 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, The County has indicated “--” as the pass-through identifying number.

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, 2023, 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, 2023:

Federal Assistance Listing Number	Program Title	SEFA June 30, 2023	FY22/23 Paydowns	Financial Statements Balance June 30, 2023
14.239	HOME Investment Partnership Program	\$ 380,000	\$ -	\$ 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:

	<u>Federal ALN</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services		
Passed through State Department of Aging:		
Title VII Elder Abuse Prevention	93.041	\$ 543
Title VII Ombudsmen	93.042	35,170
Title IIIB: Supportive Services	93.044	132,736
Title III, Part C, Nutrition Services	93.045	214,278
Title IIIE: National Family Caregiver Support	93.052	4,903
Nutrition Services Incentive Program	93.053	<u>40,998</u>
 Total		 <u>\$ 428,628</u>

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023

Schedule of Findings and Questioned Costs

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 2 CFR section 200.516(a)?

 X Yes No

Identification of Major Programs:

Federal Assistance Listing Number

14.239

20.205

20.106

93.323

93.658

93.959

Name of Federal Program or Cluster

HOME Investment Partnership Program

Highway Planning and Construction

Airport Improvement Program

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

Foster Care - Title IV-E

Block Grants for Prevention and Treatment of Substance Abuse

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 | FOR THE YEAR ENDED JUNE 30, 2023

Schedule of Findings and Questioned Costs

(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2023-001 – Other Post-Employment Benefits (OPEB) Deferred Inflows of Resources and Expenses (Material Weakness)

Condition:

The County misstated OPEB expenses and OPEB deferred inflows of resources within the governmental activities and the nonmajor enterprise funds.

Criteria:

GASB Statement No. 75 (Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions) establishes standards for recognizing and measuring deferred inflow of resources and expenses based on actuarial amounts.

Cause:

The County switched actuarial firms; the new actuarial valuation report presented deferred inflows of resources as positive numbers instead of natural classification balances (credit balance). The County misinterpreted the deferred inflows of resources value on the valuation report to be a debit balance and incorrectly reported deferred inflows as a debit amount.

Effect:

Governmental activities OPEB expense and OPEB deferred inflows of resources were initially misstated by approximately \$9,181,000. Nonmajor enterprise funds OPEB expense and OPEB deferred inflows of resources were initially misstated by approximately \$109,000.

Recommendation:

We recommend the County to inquire with the actuarial firm if values on the valuation report are presented as positive numbers or natural classification balances.

Management's Response:

See Corrective Action Plan.

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023

Schedule of Findings and Questioned Costs

(Continued)

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding 2023-002 – 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.

Federal Assistance Listing Number	Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Total Adjustment: Overstatement/ (Understatement)
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 overstated 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 overstatement that initially misstated the SEFA. If not corrected, the County would have misrepresented federal expenditures, both individually and in total, which was not 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.

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.

Current Year Status: Implemented.

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023

Summary Schedule of Prior Audit Findings

(Continued)

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: Implemented.

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023

Summary Schedule of Prior Audit Findings

(Continued)

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.

Federal Assistance Listing Number	Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Total Adjustment: Overstatement/ (Understatement)
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, both individually and in total, which was not 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*.

Status:

Improperly implemented, see current year finding 2023-002.

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023

Supplemental Schedule of the California Office of Emergency Services (CALOES) Grants Expenditures

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through	For the Year Ended	Cumulative As of	Federal Share	State Share	County Share
	June 30, 2022	June 30, 2023	June 30, 2023			
2019 HSGP						
2019-0035						
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	75,407	-	75,407	-	-	-
Equipment	18,509	-	18,509	-	-	-
Totals	\$ 93,916	\$ -	\$ 93,916	\$ -	\$ -	\$ -
2020 HSGP						
623720						
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	19,666	-	19,666	-	-	-
Equipment	50,052	-	50,052	-	-	-
Totals	\$ 69,718	\$ -	\$ 69,718	\$ -	\$ -	\$ -
2020 EPMG						
2020-0006						
Personnel services	\$ 72,031	\$ -	\$ 72,031	\$ -	\$ -	\$ -
Operating expenses	5,825	-	5,825	-	-	-
Equipment	-	-	-	-	-	-
Totals	\$ 77,856	\$ -	\$ 77,856	\$ -	\$ -	\$ -
2020 EPMG COVID-S						
610191						
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	-	-	-	-	-	-
Equipment	37,318	-	37,318	-	-	-
Totals	\$ 37,318	\$ -	\$ 37,318	\$ -	\$ -	\$ -
2021 HSGP 2021-0081						
623721						
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	-	20,866	20,866	20,866	-	-
Equipment	-	-	-	-	-	-
Totals	\$ -	\$ 20,866	\$ 20,866	\$ 20,866	\$ -	\$ -
2021 HSGP 2022-0043						
623722						
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	-	44,000	44,000	44,000	-	-
Equipment	-	-	-	-	-	-
Totals	\$ -	\$ 44,000	\$ 44,000	\$ 44,000	\$ -	\$ -

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023

Supplemental Schedule of the California Office of Emergency Services (CALOES) Grants Expenditures
(Continued)

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2022	For the Year Ended June 30, 2023	Cumulative As of June 30, 2023	Federal Share	State Share	County Share
2021-0015 EMPG						
623821						
Personnel services	\$ 68,379	\$ -	\$ 68,379	\$ -	\$ -	\$ -
Operating expenses	6,166	36,865	43,031	36,865	-	-
Equipment	-	-	-	-	-	-
Totals	\$ 74,545	\$ 36,865	\$ 111,410	\$ 36,865	\$ -	\$ -
2022-0005 EMPG						
610191						
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	-	78,465	78,465	78,465	-	-
Equipment	-	-	-	-	-	-
Totals	\$ -	\$ 78,465	\$ 78,465	\$ 78,465	\$ -	\$ -
Victim Witness Assistance Program						
VW 20 29 0140						
Personnel services	\$ 211,315	\$ -	\$ 211,315	\$ -	\$ -	\$ -
Operating expenses	43,421	-	43,421	-	-	-
Equipment	-	-	-	-	-	-
Totals	\$ 254,736	\$ -	\$ 254,736	\$ -	\$ -	\$ -
Victim Witness Assistance Program						
VW 21 30 0140						
Personnel services	\$ 368,728	\$ 57,501	\$ 426,229	\$ 49,987	\$ 7,514	\$ -
Operating expenses	68,816	10,853	79,669	-	10,853	-
Equipment	-	-	-	-	-	-
Totals	\$ 437,544	\$ 68,354	\$ 505,898	\$ 49,987	\$ 18,367	\$ -
Victim Witness Assistance Program						
VW 22 31 0140						
Personnel services	\$ -	\$ 119,572	\$ 119,572	\$ 113,910	\$ 5,662	\$ -
Operating expenses	-	27,750	27,750	15,078	12,672	-
Equipment	-	-	-	-	-	-
Totals	\$ -	\$ 147,322	\$ 147,322	\$ 128,988	\$ 18,334	\$ -
Hazard Mitigation Grant Program						
FEMA -4855-dr-ca Project 23						
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	-	20,173	20,173	20,173	-	-
Equipment	-	-	-	-	-	-
Totals	\$ -	\$ 20,173	\$ 20,173	\$ 20,173	\$ -	\$ -



AMY SHEPHERD
Auditor- Controller
ashepherd@inyocounty.us

(760) 878-0343
FAX: (760) 878-0391

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

Finding Number	Planned Corrective Action	Anticipated Completeion Date	Responsible Person
2023-001	We concur. We will inquire with the actuarial firm if values on the valuation report are presented as positive numbers or natural classification balances.	FY 23-24	Auditor Controller
2023-002	We concur with the finding. We will state the beginning fiscal year balance of the loans, not the yearend balance, as required by 2 CFR 200.302(b)2	Beginning Fiscal Year 2023-2024	Assistant Auditor Controller

Christie Martindale
Name Christie Martindale
Title Assistant Auditor Controller