



COUNTY OF YOLO
YEAR ENDED JUNE 30, 2023

SINGLE AUDIT REPORT

Focused
on YOU



COUNTY OF YOLO, CALIFORNIA

Single Audit Report

Year Ended June 30, 2023

COUNTY OF YOLO, CALIFORNIA

Single Audit Report

Year Ended June 30, 2023

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 and Supplemental Schedules of California Department of Community Services and Development	3
Schedule of Expenditures of Federal Awards for the Fiscal Year Ended June 30, 2023.....	6
Notes to the Schedule of Expenditures of Federal Awards	10
Schedule of Findings and Questioned Costs for the Fiscal Year Ended June 30, 2023.....	11
Summary Schedule of Prior Year Findings and Questioned Costs for the Fiscal Year Ended June 30, 2022.....	13
Supplemental Schedules of California Department of Community Services and Development	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 Honorable Board of Supervisors
County of Yolo, 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 units, each major fund, and the aggregate remaining fund information of the County of Yolo, 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 June 3, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-004 to be a significant deficiency.



To the Honorable Board of Supervisors
County of Yolo, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County of Yolo's Response to Findings

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

Purpose of This Report

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

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

Sacramento, California
June 3, 2024



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 AND SUPPLEMENTAL SCHEDULES OF CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

To the Honorable Board of Supervisors
County of Yolo, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Yolo, California (the "County")'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, 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 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, 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.



To the Honorable Board of Supervisors
County of Yolo, California

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.

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.



To the Honorable Board of Supervisors
County of Yolo, California

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 Schedules of California Department of Community Services and Development

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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 June 3, 2024, which contained unmodified opinions on those financial statements. 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 Supplemental Schedules of California Department of Community Services and Development are presented for purposes of additional analysis 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 Supplemental Schedules of California Community Services and Development are fairly stated in all material respects in relation to the basic financial statements as a whole.

Lance, Soll & Lughard, LLP

Sacramento, California
June 3, 2024

COUNTY OF YOLO
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Unique Entity Identifying Number</i>	<i>Passed-Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
SNAP Cluster				
U.S. Department of Agriculture				
Pass-Through Programs:				
State of California Department of Public Health State Administrative Matching Grants for the Supplemental Nutrition Assistance Program*	10.561	KD2JSY6LNMW7	\$ -	\$ 290,514
State of California Department of Social Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program*	10.561	LDJ1MM9L56K7	-	5,393,273
Total SNAP Cluster			-	5,683,787
Child Nutrition Cluster				
U.S. Department of Agriculture				
Pass-Through Programs:				
State of California Department of Education National School Lunch Program	10.555	HWECY7CDW9Y7	-	4,507
Total Child Nutrition Cluster			-	4,507
Total U.S. Department of Agriculture			-	5,688,294
WIOA Cluster				
U.S. Department of Labor				
Pass-Through Programs:				
State of California Department of Employment Development WIOA Adult Program	17.258	LNCZQ5EVCG36	-	623,276
WIOA Youth Activities	17.259	LNCZQ5EVCG36	-	711,614
WIOA Dislocated Worker Formula Grants	17.278	LNCZQ5EVCG36	-	503,648
Total WIOA Cluster			-	1,838,538
Total U.S. Department of Labor			-	1,838,538
Highway Safety Cluster				
U.S. Department of Transportation				
Pass-Through Programs:				
State of California Office of Traffic Safety National Priority Safety Programs	20.616	XCA4E3XL2KY7	-	323,886
Total Highway Safety Cluster			-	323,886
Total U.S. Department of Transportation			-	323,886
477 Cluster				
U.S. Department of Health and Human Services				
Pass-Through Programs:				
State of California Department of Social Services Temporary Assistance for Needy Families	93.558	LDJ1MM9L56K7	1,771,045	20,307,131
State of California Department of Community Services Community Services Block Grant (23F-4052)	93.569	F4LGDJEVBFK4	-	63,574
Community Services Block Grant (22F-5052)	93.569	F4LGDJEVBFK4	-	227,614
Community Services Block Grant (20F-3691)	93.569	F4LGDJEVBFK4	-	168,825
Total 477 Cluster			1,771,045	20,767,144
Medicaid Cluster				
U.S. Department of Health and Human Services				
Pass-Through Programs:				
State of California Department of Health Care Services Medical Assistance Program*	93.778	JE73CDQUAPA7	-	14,361,045
Total Medicaid Cluster			-	14,361,045
Total U.S. Department of Health and Human Services			1,771,045	35,128,189
Disability Insurance/SSI Cluster				
Social Security Administration				
Direct Programs:				
Supplemental Security Income (SSI)	96.006	N/A	-	9,000
Total Disability Insurance/SSI Cluster			-	9,000
Total Social Security Administration			-	9,000

COUNTY OF YOLO
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Unique Entity Identifying Number</i>	<i>Passed-Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
Other Programs				
U.S. Department of Agriculture				
Pass-Through Programs:				
State of California Department of Food and Agriculture Plant and Animal Disease, Pest Control, and Animal Care	10.025	MN3QCQBG8X75	-	387,428
State of California Department of Public Health Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	KD2JSY6LNMW7	-	1,450,403
Total Department of U.S. Agriculture			-	1,837,831
U.S. Department of Housing and Urban Development				
Pass-Through Programs:				
State of California Department of Housing and Community Development Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	L4JQPJ7N5NT4	31,821	34,338
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii - Beginning Loan Balance	14.228	L4JQPJ7N5NT4	-	1,404,489
Total for Program			31,821	1,438,827
COVID-19 - Emergency Solutions Grant Program	14.231	L4JQPJ7N5NT4	1,228,651	3,093,009
Home Investment Partnerships Program - Beginning Loan Balance	14.239	L4JQPJ7N5NT4	-	8,189,556
Total U.S. Department of Housing and Urban Development			1,260,472	12,721,392
U.S. Department of Justice				
Direct Programs:				
Criminal and Juvenile & Mental Health Collaboration Program	16.745	N/A	-	213,290
Smart Prosecution Initiative	16.825	N/A	-	130,166
Equitable Sharing Program	16.922	N/A	-	121,855
Pass-Through Programs:				
State of California Board of State and Community Corrections COVID-19 - 2020 Coronavirus Emergency Supplemental Funding	16.034	LV1YMJ34Q7U9	-	42,262
Edward Byrne Memorial Justice Assistance Grant	16.738	LV1YMJ34Q7U9	-	578,129
State of California Governor's Office of Emergency Services Victims of Crime Act	16.575	UTM3S7LKYQZ4	-	1,208,928
Violence Against Women Act	16.588	UTM3S7LKYQZ4	-	218,180
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	UTM3S7LKYQZ4	-	45,099
Total U.S. Department of Justice			-	2,557,909
U.S. Department of Labor				
Pass-Through Programs:				
State of California Department of Employment Development COVID-19 WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	LNCZQ5EVC36	-	35,813
Total U.S. Department of Labor			-	35,813
U.S. Department of Transportation				
Direct Programs:				
Airport Improvement Program	20.106	N/A	-	16,420
Construction Taxiway A Run-Up Areas	20.106	N/A	-	444,824
COVID-19 - Airport Improvement Program	20.106	N/A	-	25,728
Total U.S. Department of Transportation			-	486,972
U.S. Department of Treasury				
Direct Programs:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund*	21.027	N/A	2,978,711	9,571,861
Total U.S. Department of Treasury			2,978,711	9,571,861
Institute of Museum and Library Services				
Pass-Through Programs:				
California State Library Grants to States	45.310	SEF8B2944EP9	-	12,000
Total Institute of Museum and Library Services			-	12,000
U.S. Department of Health and Human Services				
Direct Programs:				
Epidemiology & Laboratory Capacity for Infectious Diseases	93.323	N/A	-	8,423
Epidemiology & Laboratory Capacity for Infectious Diseases - Workforce Development PH 1	93.354	N/A	-	280,744
Activities to Support State, Tribal, Local and Territorial Health Department Response to Public Health or Healthcare Crisis	93.391	N/A	-	303,074

The accompanying notes are an integral part of this schedule.

COUNTY OF YOLO
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Unique Entity Identifying Number</i>	<i>Passed-Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
Pass-Through Programs:				
National Environmental Health Association Retail Flexible Funding Model	93.103	G-OATR-202111-01405	-	5,898
State of California Department of Public Health				
Public Health Emergency Preparedness	93.069	KD2JSY6LNMW7	-	235,267
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	KD2JSY6LNMW7	-	28,018
Immunization Cooperative Agreements	93.268	KD2JSY6LNMW7	-	1,223,938
Promoting Safe and Stable Families	93.505	KD2JSY6LNMW7	-	298,901
Medical Assistance Program	93.778	KD2JSY6LNMW7	-	353,456
Strengthening U.S. Public Health Infrastructure, Workforce, and Data Systems	93.967	KD2JSY6LNMW7	-	160,214
Epidemiology & Laboratory Capacity for Infectious Diseases	93.323	KD2JSY6LNMW7	-	2,586,232
National Bioterrorism Hospital Preparedness Program	93.889	KD2JSY6LNMW7	-	167,896
Maternal and Child Health Services Block Grant to the States	93.994	KD2JSY6LNMW7	-	125,489
State of California Department of Health Care Services				
Children's Health Insurance Program	93.767	79-652-8263	-	82,517
Medication Assisted Treatment Expension Project	93.788	79-652-8263	-	617
Block Grants for Community Mental Health Services	93.958	79-652-8263	-	307,440
Block Grants for Prevention and Treatment of Substance Abuse	93.959	79-652-8263	-	1,643,938
State of California Governor's Office of Emergency Services				
Children's Justice Grants to States	93.643	UTM3S7LKYQZ4	-	768
State of California Department of Social Services				
Guardianship Assistance	93.090	LDJ1MM9L56K7	-	12,495
Promoting Safe and Stable Families	93.556	LDJ1MM9L56K7	-	108,754
Refugee and Entrant Assistance State Administer Program	93.566	LDJ1MM9L56K7	-	296,736
Stephanie Tubbs Jones Child Welfare Services Program	93.645	LDJ1MM9L56K7	-	99,803
Foster Care Title IV-E *	93.658	LDJ1MM9L56K7	-	6,762,864
Adoptions Eligibility	93.659	LDJ1MM9L56K7	-	39,277
Adoption Administration	93.659	LDJ1MM9L56K7	-	31,851
Adoption Assistance	93.659	LDJ1MM9L56K7	-	7,831,654
ARRA - Foster Care Title IV-E	93.659	LDJ1MM9L56K7	-	357,132
Total for Program			-	8,259,914
Social Services Block Grant	93.667	LDJ1MM9L56K7	-	1,665,976
APS/CSBG	93.747	LDJ1MM9L56K7	-	352,346
CHAFFE Foster Care Independent Living	93.674	LDJ1MM9L56K7	-	67,103
Total U.S. Department of Health and Human Services			-	25,438,821
U.S. Department of Homeland Security				
Pass-Through Programs:				
State of California Department of Boating and Waterways				
Law Enforcement Equipment Grant Program	97.012	N8S7JWJFH378	-	49,212
State of California Governor's Office of Emergency Services				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	62-423-4894	-	-
Emergency Management Performance Grants	97.042	62-423-4894	-	-
Emergency Management Performance Grants	97.042	UTM3S7LKYQZ4	-	118,782
Total for Program			-	118,782
Homeland Security Grant Program	97.067	UTM3S7LKYQZ4	-	20,478
Total U.S. Department of Homeland Security			-	188,472
Total Other Programs			4,239,183	52,851,071
Total Expenditures of Federal Awards			\$ 6,010,228	\$ 95,838,978

* Major Program

COUNTY OF YOLO
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

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 Yolo, California (the “County”) under programs of the federal government for the year ended June 30, 2023. 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

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 on the schedule.

The balance of loans outstanding at June 30, 2023, consists of:

Assistance Listing Number	Federal Program	Outstanding Loans at June 30, 2023
14.228	Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	\$ 1,269,108
14.239	HOME Investment Partnerships Program	8,188,556
	Total	<u>\$ 9,457,664</u>

COUNTY OF YOLO
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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 related to major programs disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards* (Uniform Guidance)? yes no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Fund
93.658	Foster Care Title IV-E
93.778	Medical Assistance Program

Dollar threshold used to distinguish between type A and type B program \$2,875,169

Auditee qualified as low-risk auditee? yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

Reference Number

2023-001 – Accounting System Reconciliation

Evaluation of Finding

Material Weakness

Criteria

Accurate recordkeeping and reconciliation of the County's INFOR accounting system with Engagement journal entries are an integral part of internal control and financial reporting accuracy in accordance with Generally Accepted Accounting Principles. Operational journal entries should be posted within the INFOR accounting system whereas Engagement should be used for reclassification or other comparable entries that are ordinarily financial reporting only in nature (ex. typically do not affect fund balance or net position).

Condition

During our audit and review of the general ledger, it was noted that the County's INFOR general ledger (i.e. Accounting) system was not being reconciled annually with the Engagement financial reporting software that the County utilizes to assist in the preparation of the Annual Comprehensive Financial Report (ACFR).

Cause of Condition

County personnel are not routinely reconciling underlying accounting records from Engagement used to prepare the ACFR back to the trial balance and general ledger and ensuring that necessary entries are posted.

Effect or Potential Effect of Condition

The Fund Balance and Net Position are at risk of significant misstatement if these two sources of County accounting records are not reconciled, at minimum on an annual basis.

Recommendation

We recommend the County reconcile the completed Engagement accounting records used for financial reporting back to the trial balance and general ledger annually to ensure all operational transactions are captured and accounting records are not at risk of misstatement. This shall further ensure that subsequent fiscal years have reconciled beginning balances in both sets of records.

Management Response

We agree. The Accounting and Financial Reporting Division of the Department of Financial Services will perform a reconciliation of the Engagement Financial Reporting ledgers with the INFOR accounting general ledgers. The County will record operational entries as needed (those not financial reporting only in nature) and will implement these formal procedures no later than the fiscal year ending June 30, 2025.

Reference Number

2023-002 – Grant Activity Reconciliation

Evaluation of Finding

Material Weakness

Criteria

The County failed to record \$353,441 in revenues and capitalized expenses relating to Federal Aviation Administration grant activity pertaining to the Yolo Runway Runups capital project in the Yolo County Airport Fund.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Condition

The County avails itself of a wide range of State and Federal grants on both a reimbursement and prefunding basis. The Yolo County Airport Fund Runway Runups capital project utilizes funding on a reimbursement basis from the Federal Aviation Administration. The County failed to record fiscal year 2023 expenses pertaining to this project which were reimbursed subsequent to the close of the fiscal year, resulting in an understatement of revenue in the amount of \$353,441.

Cause of Condition

Management oversight due to changes in personnel and nature of the timing of program expenses.

Effect or Potential Effect of Condition

The County did not record revenues and capitalized expenses related to the program totaling \$353,441.

Recommendation

The County should ensure sufficient procedures surrounding analysis of the cut-off of expenses are thoroughly implemented to ensure expenses are properly captured in the correct fiscal year.

Management Response

Management agrees with the finding and is currently implementing year end procedures to apply analytical procedures on the trial balance numbers, perform reconciliations of all significant accounts, and apply formal year end closing procedures for subsequent fiscal years.

Reference Number

2023-003 – Timeliness in Financial Reporting

Evaluation of Finding

Material Weakness

Criteria

Financial reports are intended to meet the needs of decision makers, including the governing board, bondholders, Federal and State oversight agencies, and constituents. Accordingly, timeliness was identified as one of the characteristics of information in financial reporting in GASB Concepts Statement No. 1 of the Governmental Accounting Standards Board (GASB), Objectives of Financial Reporting. To accomplish this objective, financial reports must be available in time for informed decision making. Therefore, financial reports should be published as soon as possible after the end of the reporting period.

Sometimes the need for timeliness has to be balanced against the need for reliability, which also was identified as one of the characteristics of information in financial reporting identified in GASB Concepts Statement No. 1. While governments certainly should not sacrifice reliability for timeliness, minor gains in precision ought not to be purchased at the price of indefinite delay (e.g., accounting estimates).

Legislative deadlines for submitting financial statements should be viewed as a minimum standard rather than as an ideal objective. The same holds true for the submission deadlines used by various award programs such as the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. The additional cost of more timely financial reporting (e.g., additional staff and overtime) also needs to be considered.

Condition

While conducting our audit, we noted that the County experienced difficulties and delays in accurately preparing the County's financial statements. Additionally, the County's financial statements were not ready to be issued by the required Single Audit Reporting Package deadline of March 31, 2024. As a result of these conditions, the financial statements were not available to meet the needs of decisions makers, including governing boards, bondholders, Federal and State oversight agencies, and constituents in a timely manner.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Cause of Condition

The County experienced turnover in finance department personnel in addition to delays as a result of complex GASB standard implications and implementation.

Effect or Potential Effect of Condition

Untimely financial statement reporting can alter the value of those financial statements to the users, as well as jeopardize relationships with bondholders, and granting agencies.

Recommendation

Management should establish a well-defined process for its annual financial reporting. The process and its key attributes (e.g., overall timing, methodology, communication with component units, segregation of duties, frequency of analyses and review by County management) should be formally documented, approved, and reviewed on a regular basis. In addition, the County should develop more resources capable of assisting in the preparation of its annual financial reporting package.

Management Response

We agree with the finding. The County is committed to enhanced training surrounding upcoming GASB pronouncements, implementing additional year-end closing procedures, and leveraging additional internal resources as necessary to ensure the trial balance is reconciled to internal accounting records for subsequent audits in a timely fashion. The issue is anticipated to be remedied by March 31, 2025.

Reference Number

2023-004 – Financial Close and Reporting

Evaluation of Finding

Significant Deficiency

Criteria

Management is responsible for the preparation and fair presentation, as well as the accuracy of its financial statements, including disclosures in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Condition

During the audit, we noted the following conditions that resulted in audit adjustments to the financial statements: The year-end closing process did not ensure that account balances were reconciled to internal accounting records in advance of the audit requiring multiple correcting entries recorded by the County. It appears these errors were primarily caused by clerical errors between Funds, corrections of prior reported capital asset and depreciation activity, and other miscellaneous correcting entries required to be posted by County personnel after the furnishing of the initial trial balance to the auditors.

Cause of Condition

Due to turnover within County personnel and inexperience with the financial close and audit process, multiple correcting and reclassification entries were required to be posted by County personnel to ensure the financial statements were not materially misstated.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Effect or Potential Effect of Condition

The County did not have in place a systematic method for ensuring that timely and complete year end closing procedures were in operation before presenting the final trial balance to the auditors, resulting in a number of journal entries made to correct or to reclassify balances in the financial statements that should have been captured through the closing process. Those adjustments have been reported and posted by the County.

Recommendation

The County should put in place formalized year end closing procedures to ensure the close is complete and reduce the number of journal entries needed and errors found after the closing process has been completed. We suggest management also establish effective review policies and procedures, including but not limited to, apply analytical procedures on the trial balance numbers and perform reconciliations of all significant accounts. In addition, we recommend increased technical training for all County finance personnel and personnel transitioning into new roles.

Management Response

Management agrees with the finding and is currently implementing year end procedures to apply analytical procedures on the trial balance numbers, perform reconciliations of all significant accounts, and apply formal year end closing procedures for subsequent fiscal years in addition to reviewing and seeking technical training for all staff.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.



County of Yolo

www.yolocounty.org

TOM HAYNES
Chief Financial Officer
EVIS MORALES
Deputy Chief Financial Officer

DEPARTMENT OF FINANCIAL SERVICES

625 Court Street, Room 102
PO BOX 1268
WOODLAND, CA 95776
PHONE: (530) 666-8190
FAX: (530) 666-8215
EMAIL: DFS@yolocounty.org

- Financial Leadership
- Budget & Financial Planning
- Treasury & Finance
- Tax & Revenue Collection
- Accounting & Financial Reporting
- Internal Audit

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEAR ENDED JUNE 30, 2022

Finding: 2022-001: General Ledger Reconciliation

Reason for Recurrence:

Additional instances were noted of the County's INFOR general ledger (i.e. Accounting) system not being reconciled with the Engagement financial reporting software that the County utilizes to assist in the preparation of the Annual Comprehensive Financial Report (ACFR).

Planned Corrective Action:

We agree. The Accounting and Financial Reporting Division of the Department of Financial Services will perform a reconciliation of the Engagement Financial Reporting ledgers with the INFOR accounting general ledgers. The County will record operational entries as needed (those not financial reporting only in nature) and will implement these formal procedures no later than the fiscal year ending June 30, 2025.

Current Year Reference Number:

2023-001

There were no compliance findings to report.

COUNTY OF YOLO
Supplemental Schedule of California Department
of Community Services and Development
For the Fiscal Year Ended June 30, 2023

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 23F-4052 (CSBG - \$391,080)
For The Period January 1, 2023 through December 31, 2023

	January 1, 2023 through June 30, 2023	Total Reported	Total Budget
<u>Revenue</u>			
Grant revenue	\$ 63,574	\$ 63,574	\$ 391,080
<u>Expenditures</u>			
Administration:			
Salaries and wages	\$ 9,410	\$ 9,410	\$ 19,062
Fringe benefits	5,241	5,241	13,982
Operating expenses	2,465	2,465	3,700
Other costs	1,511	1,511	10,185
Subtotal Administrative Costs	18,627	18,627	46,929
Program Costs:			
Salaries and wages	1,133	1,133	29,671
Fringe benefits	811	811	19,949
Subcontractor services	11,959	11,959	153,539
Other costs	31,044	31,044	140,992
Subtotal Program Costs	44,947	44,947	344,151
Total Expenditures	\$ 63,574	\$ 63,574	\$ 391,080
Revenue over (under) costs	\$ -	\$ -	\$ -

COUNTY OF YOLO
Supplemental Schedule of California Department
of Community Services and Development
For the Fiscal Year Ended June 30, 2023

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 22F-5052 (CSBG - \$340,771)
For The Period January 1, 2022 through December 31, 2022 (Extension: May 31, 2023)

	July 1, 2022 through May 31, 2023	Total Reported	Total Budget
<u>Revenue</u>			
Grant revenue	\$ 227,614	\$ 227,614	\$ 340,771
<u>Expenditures</u>			
Administration:			
Salaries and wages	\$ 5,059	\$ 5,059	\$ 14,306
Fringe benefits	2,461	2,461	9,911
Other costs	6,049	6,049	8,034
Subtotal Administrative Costs	13,569	13,569	32,251
Program Costs:			
Salaries and wages	9,079	9,079	9,079
Fringe benefits	6,484	6,484	6,484
Subcontractor services	134,741	134,741	191,518
Other costs	63,741	63,741	101,439
Subtotal Program Costs	214,045	214,045	308,520
Total Expenditures	\$ 227,614	\$ 227,614	\$ 340,771
Revenue over (under) costs	\$ -	\$ -	\$ -

COUNTY OF YOLO
Supplemental Schedule of California Department
of Community Services and Development
For the Fiscal Year Ended June 30, 2023

Supplemental Statement of Revenue and Expenditures
CSD Contract No 20F-3691 (CSBG - \$452,199)
For The Period July 1, 2022 through August 31, 2022

	July 1, 2022 through August 31, 2022	Total Reported	Total Budget
<u>Revenue</u>			
Grant revenue	\$ 168,825	\$ 168,825	\$ 452,199
<u>Expenditures</u>			
Administration:			
Salaries and wages	\$ 8,935	\$ 8,935	\$ 28,068
Fringe benefits	4,310	4,310	20,688
Subtotal Administrative Costs	13,245	13,245	48,756
Program Costs:			
Subcontractor services	98,341	98,341	244,741
Other costs	57,239	57,239	158,702
Subtotal Program Costs	155,580	155,580	403,443
Total Expenditures	\$ 168,825	\$ 168,825	\$ 452,199
Revenue over (under) costs	\$ -	\$ -	\$ -