

**COUNTY OF NEVADA**  
**SINGLE AUDIT REPORT**  
**YEAR ENDED JUNE 30, 2019**



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**COUNTY OF NEVADA**

Single Audit Report  
Year Ended June 30, 2019

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**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**

Board of Supervisors and Grand Jury  
County of Nevada  
Nevada City, 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 Nevada (the County), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 30, 2019.

**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) to determine the 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. 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.

### **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 determination of financial statement amounts. 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*.

### **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.



**CliftonLarsonAllen LLP**

Roseville, California  
December 30, 2019



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

Board of Supervisors and Grand Jury  
County of Nevada  
Nevada City, California

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

We have audited the County of Nevada's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

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

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, 2019.

### **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 items [2019-001]. Our opinion on each major federal program is not modified with respect to these matters.

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

### **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item [2019-001] that we consider to be a material weakness.

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

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**

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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 30, 2019, 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.

**Supplementary Schedules**

The supplementary schedules of the California Emergency Management Agency and the Board of State and Community Corrections Grants and Department of Community Services and Development have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



**CliftonLarsonAllen LLP**

Roseville, California  
December 30, 2019

**COUNTY OF NEVADA**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures</b>	<b>Passed through to Subrecipients</b>
<b><u>U.S. Department of Agriculture</u></b>				
Direct Program:				
Egress/Ingress Fire Safety	10.664	--	\$ 170,000	\$ --
Cooperative Law Enforcement Agreement	10.664	--	11,961	--
Passed through California Department of Food and Agriculture:				
European Grapevine Moth	10.025	17-0549-031-SF	3,822	--
European Grapevine Moth	10.025	18-0619-013-SF	6,243	--
Plant & Animal Disease, Pest Control	10.025	18-0295-007-SF	185	--
Light Brown Apple Moth Detection	10.025	18-0299-013-SF	3,655	--
Plant & Animal Disease, Pest Control	10.025	18-0258-05	12,462	--
Plant & Animal Disease, Pest Control	10.025	17-0453-020-SF	7,729	--
Subtotal CFDA 10.025			<u>34,096</u>	<u>--</u>
Passed through State Department of Education:				
National School Lunch Program	10.555	--	7,839	--
Passed through CA Department of Public Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	15-10096 A03	672,371	--
Nutrition Education and Obesity Prevention	10.561	16-10170	224,874	101,881
CalFresh Admin-Supp. Nutrition Assistance Program Education	10.561	--	1,655,632	--
CalFresh Employment and Training (CFET)	10.561	--	42,321	--
Subtotal CFDA 10.561 - SNAP Cluster			<u>1,922,827</u>	<u>101,881</u>
Passed through the CA State Controller's Office:				
Title I Federal Forest Reserve	10.665	--	446,407	--
Schools and Roads Forest Reserve	10.665	GC29480-84 FY17/18	115,990	--
Subtotal CFDA 10.665 - Forest Service Schools and Roads Cluster			<u>562,397</u>	<u>--</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>\$ 3,381,491</u></b>	<b><u>\$ 101,881</u></b>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Direct Program:				
Home Anew Continuum of Care	14.267	--	24,950	24,950
Summer's Haven Supportive Housing	14.267	--	50,497	8,459
Summer's Haven Supportive Housing	14.267	--	51,739	51,739
Winter's Haven Continuum of Care	14.267	--	18,930	18,930
Winter's Haven Continuum of Care	14.267	--	17,681	9,100
Subtotal CFDA 14.267			<u>163,797</u>	<u>113,178</u>
Passed through the State Department of Housing and Community Development:				
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	--	1,205,201	--
Subtotal CFDA 14.228				

See accompanying notes to Schedule of Expenditures of Federal Awards

**COUNTY OF NEVADA**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed through to Subrecipients</u>
<b><u>U.S. Department of Housing and Urban Development (continued)</u></b>				
Passed through the State Department of Housing and Community Development (continued):				
Home Investment Partnership Program	14.239	--	2,865,982	--
Passed through the California Department of Public Health: Housing Opportunities for Persons with AIDS (HOPWA)	14.241	16-10303-A01	42,369	--
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>\$ 4,277,349</u></b>	<b><u>\$ 113,178</u></b>
<b><u>U.S. Department of the Interior</u></b>				
Direct Program:				
Payments in Lieu of Taxes	15.226	--	453,761	--
Passed through the CA State Controller's Office: Flood Control Act Lands	15.433	GC16415-17	2,584	--
<b>Total U.S. Department of of the Interior</b>			<b><u>\$ 456,345</u></b>	<b><u>\$ --</u></b>
<b><u>U.S. Department of Justice</u></b>				
Direct Programs:				
Domestic Cannabis Eradication/Suppression Program	16.001	--	688	--
Domestic Cannabis Eradication/Suppression Program	16.001	--	22,924	--
Subtotal CFDA 16.001			<u>23,612</u>	<u>--</u>
Equitable Sharing Agreement Asset Forfeiture	16.922	CA0290000	64,792	--
Justice and Mental Health Grant	16.745	2018-MH-BC-0018	8,347	--
Passed through the California Office of Emergency Services:				
Victim-Witness Assistance Program	16.575	VW17310290	42,591	32,881
Victim-Witness Assistance Program	16.575	VW18320290	149,492	29,776
Victim-Witness Assistance Program	16.575	XC16010290	88,255	--
Subtotal CFDA 16.575			<u>280,338</u>	<u>62,657</u>
<b>Total U.S. Department of Justice</b>			<b><u>\$ 377,089</u></b>	<b><u>\$ 62,657</u></b>
<b><u>U.S. Department of Transportation</u></b>				
Passed through Federal Aviation Administration:				
Federal Aviation Administration Grant	20.106	3-06-0095-017-2015	4,724	--
Phase 1, Perimeter Fence and Gate Grant	20.106	3-06-0095-018-2016	411	--
Phase 2, The Perimeter Fence and Gate System for NC Airport	20.106	3-06-0095-019-2017	988,434	--
Airport Sponsor Grant	20.106	3-06-0095-020-2018	50,090	--
Subtotal CFDA 20.106			<u>1,043,659</u>	<u>--</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

**COUNTY OF NEVADA**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures</b>	<b>Passed through to Subrecipients</b>
<b><u>U.S. Department of Transportation (continued)</u></b>				
Passed through California Department of Transportation:				
Formula Grants for Rural Services	20.509	64B019-00820	\$ 459,615	\$ --
Highway Planning and Construction	20.205	03-5917F15-F058-ISTEA	31,817	--
Highway Planning and Construction	20.205	--	396,974	--
Highway Planning and Construction	20.205	--	1,734	--
Highway Planning and Construction	20.205	03-5917R-N049-ISTEA	40,828	--
Highway Planning and Construction	20.205	03-5917F15-F056-ISTEA	68,371	--
Highway Planning and Construction	20.205	03-5917F15-F057-ISTEA	18,912	--
Highway Planning and Construction	20.205	03-5917R-N050-ISTEA	42,168	--
Highway Planning and Construction	20.205	03-5917-N040-ISTEA	17,983	--
Highway Planning and Construction	20.205	03-5917R-N045-ISTEA	99,328	--
Highway Planning and Construction	20.205	03-5917R-N047-ISTEA	1,813,165	--
Highway Planning and Construction	20.205	03-5917R-N019-R1-ISTEA	126,086	--
Highway Planning and Construction	20.205	--	3,037	--
Subtotal CFDA 20.205 - Highway Planning and Construction Cluster			<u>3,120,018</u>	<u>--</u>
<b>Total U.S. Department of Transportation</b>			<b><u>\$ 4,163,677</u></b>	<b><u>\$ --</u></b>
<b><u>U.S. Institute of Museum and Library Services</u></b>				
Passed through the California State Library				
Federal Library Services And Technology Act (LSTA)	45.310	--	5,175	--
Federal Library Services And Technology Act (LSTA)	45.310	--	6,020	--
Federal Library Services And Technology Act (LSTA)	45.310	--	3,205	--
Federal Library Services And Technology Act (LSTA)	45.310	--	6,128	--
Subtotal CFDA 45.310	45.310	--	<u>20,528</u>	<u>--</u>
<b>Total U.S Institute of Museum and Library Services</b>			<b><u>\$ 20,528</u></b>	<b><u>\$ --</u></b>
<b><u>U.S. Department of Health and Human Services</u></b>				
Direct Program:				
Rural Health Opioids Program	93.912	--	75,263	33,126
Refugee Admin	93.566	--	989	--
Passed through State Department of Social Services:				
KinGap IV-E	93.090	--	2,686	--
Licensing	93.090	--	279	--
Subtotal CFDA 93.090			<u>2,965</u>	<u>--</u>
Promoting Safe and Stable Families	93.556	--	48,264	25,000
Calworks CEC programs-Non SA	93.558	--	1,047,971	688,052
Calworks CEC programs-SA	93.558	--	2,416,698	513,400

See accompanying notes to Schedule of Expenditures of Federal Awards

**COUNTY OF NEVADA**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures</b>	<b>Passed through to Subrecipients</b>
<b>U.S. Department of Health and Human Services (continued)</b>				
Passed through State Department of Social Services (continued):				
CWS TANF	93.558	--	233,749	--
CalWorks Mixed	93.558	--	465	--
CalWorks All Families/Zero Parent	93.558	--	405,256	--
Calworks KinGap	93.558	--	1,920	--
Fed-GAP	93.558	--	14,628	--
Subtotal CFDA 93.558 - TANF Cluster			<u>4,120,687</u>	<u>1,201,452</u>
Adoptions Incentive	93.603	--	27,800	--
CWS - IV-B	93.645	--	30,600	--
CBCAP	93.590	--	32,500	--
CSEC	93.658	--	887	--
CWS IV-E	93.658	--	638,219	165,351
CCR CPD	93.658	--	900	--
CCR CWD	93.658	--	108,938	--
ECCB	93.658	--	12,595	--
Foster Care	93.658	--	48,867	--
Non CWS Allocation	93.658	--	35,639	--
Prob IV-E &GHMV PT	93.658	--	84,028	--
SACWIC	93.658	--	695	--
Extended Foster Care (EFC) Aid Code 49	93.658	--	51,781	--
Foster Care Aid Code 42	93.658	--	464,583	--
Foster Care EA	93.658	--	200,730	--
Subtotal CFDA 93.658			<u>1,647,862</u>	<u>165,351</u>
Adoption Assistance	93.659	--	1,497,728	--
Adoption Assistance	93.659	--	1,004	--
Adoption Administration	93.659	--	38,414	--
Adoption Administration	93.659	--	26,930	--
Subtotal CFDA 93.659			<u>1,564,076</u>	<u>--</u>
Social Services Block Grant	93.667	--	44,250	--
In-Home Supportive Services IHSS Admin	93.667	--	325,008	--
Subtotal CFDA 93.667			<u>369,258</u>	<u>--</u>
Community Based Child Abuse Prevention Grants	93.590	--	32,500	20,000
ILP	93.674	--	27,424	27,424
Passed through the Substance Abuse and Mental Health Services				
Community Mental Health Services Block (MHBG)	93.958	--	244,060	244,060
Passed through CA Department of Public Health:				
Public Health Emergency Preparedness	93.069	17-10177	134,244	--

See accompanying notes to Schedule of Expenditures of Federal Awards

**COUNTY OF NEVADA**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures</b>	<b>Passed through to Subrecipients</b>
<b>U.S. Department of Health and Human Services (continued)</b>				
Passed through CA Department of Public Health (continued):				
Hospital Preparedness Program	93.074	14-10525 A04	125,206	--
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	17-10238	12,557	--
Project LAUNCH	93.243	16-10698	39,238	39,238
Collaborative Courts' Substance Abuse Treatment Programs	93.243		111,622	27,392
Subtotal CFDA 93.243			<u>150,860</u>	<u>66,630</u>
Immunization Cooperative Agreements	93.268	17-10335	47,428	--
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	15-10165	692,945	656,000
HIV Care Formula Grants	93.917	18-10897	43,135	--
HIV Care Formula Grants	93.917	16-10852	127,205	--
Subtotal CFDA 93.917			<u>170,339</u>	<u>--</u>
Maternal and Child Health Services Block Grant	93.994	201729	101,927	20,000
Passed through the California Department of Health Care Services:				
Assistance for Transition from Homelessness Grant (PATH)	93.150		16,285	16,285
MediCal Administrative Activities Program	93.778		566,317	--
Medical Assistance Program	93.778	CCS	46,345	--
Medical Assistance Program	93.778	CHDP	202,426	--
Medical Assistance Program	93.778		207,214	--
Medical Assistance Program Admin	93.778		1,811,165	--
Medical Admin Activities MAA	93.778		20,115	--
Subtotal CFDA 93.778 - Medicaid Cluster			<u>2,853,582</u>	<u>--</u>
Medicaid EHR Incentive Program	93.719		25,500	--
Substance Use Disorder Services (SAPT)	93.959	14-90076/17-94146	717,767	376,410
Passed through the California Department of Child Support Services:				
Child Support Enforcement	93.563		1,542,431	--
Passed through the California Department of Community Services and Development:				
Community Services Block Grant	93.569	18F-5029	163,979	70,386
Community Services Block Grant	93.569	19F-4029	76,523	--
Subtotal CFDA 93.569			<u>240,502</u>	<u>70,386</u>
Passed through California Family Health Council, Inc.:				
Family Planning Services	93.217	9903-5320-71209-17-18	129,550	--
Passed through the Tahoe Truckee Community Foundation				
Drug Free Communities	93.276	11068960	32,857	--
<b>Total U.S. Department of Health and Human Services</b>			<b><u>\$ 15,218,226</u></b>	<b><u>\$ 2,984,700</u></b>

See accompanying notes to Schedule of Expenditures of Federal Awards

**COUNTY OF NEVADA**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed through to Subrecipients</u>
<b><u>U.S. Department of Homeland Security</u></b>				
Passed through State Office of Emergency Services:				
Disaster Grants - Public Assistance	97.036		174,271	--
<b><u>U.S. Department of Homeland Security (contiued)</u></b>				
Passed through State Office of Emergency Services (continued):				
Emergency Management Performance Grants	97.042	057-00000	145,009	--
Homeland Security Grant Program	97.067	057-00000	21,262	--
Homeland Security Grant Program	97.067	057-00000	95,092	--
Subtotal CFDA 97.067			<u>116,354</u>	<u>--</u>
<b>Total U.S. Department of Homeland Security</b>			<b><u>\$ 435,634</u></b>	<b><u>\$ --</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 28,330,339</u></b>	<b><u>\$ 3,262,416</u></b>

See accompanying notes to Schedule of Expenditures of Federal Awards

## COUNTY OF NEVADA

Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019

### NOTE 1: **REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal awards programs of the County of Nevada. The County of Nevada's 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.

### NOTE 2: **BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented based on accounting principles generally accepted in the United States of America. For program expenditures accounted for in governmental funds, the modified accrual basis of accounting is used and for program expenditures accounted for in proprietary funds, the accrual basis of accounting is used. Such expenditures are recognized following the cost principles contained in the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### NOTE 3: **RELATIONSHIP TO FINANCIAL STATEMENTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds and grant revenue in the Enterprise funds.

### NOTE 4: **PASS-THROUGH ENTITIES' IDENTIFYING NUMBER**

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

### NOTE 5: **INDIRECT COST RATE**

The County has elected not to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

**COUNTY OF NEVADA**

Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019

**NOTE 6: LOANS WITH CONTINUING COMPLIANCE REQUIREMENT**

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2019 as follows:

<u>Federal CFDA #</u>	<u>Program Title</u>	<u>SEFA June 30, 2019</u>	<u>FY 18/19 Activity</u>	<u>County Balance June 30, 2019</u>
14.228	Community Development Block Grants/State's Program	\$ 1,205,201	\$ (247,737)	\$ 957,464
14.239	HOME Investment Partnerships Program	\$ 2,865,982	\$ (676,645)	\$ 2,189,337

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Section I - Summary of Auditors' Results

Financial Statements

- 1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none
3. Noncompliance material to financial statements noted? yes no

Federal Awards

- 1. Internal control over major federal programs:
- Material weakness(es) identified? x yes no
- Significant deficiency(ies) identified? yes x none
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of Major Federal Programs

Table with 2 columns: CFDA Number(s) and Name of Federal Program or Cluster. Rows include 14.239, 20.106, 93.558, 93.658, 93.778 and their corresponding program names like Home Investment Partnerships Program, Airport Improvement Program, etc.

Dollar threshold used to distinguish between Type A and Type B programs: \$ 849,910

Auditee qualified as low-risk auditee? yes no

**COUNTY OF NEVADA**

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2019

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***Section II – Financial Statement Findings***

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None noted.

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2019

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**Section III – Findings and Questioned Costs – Major Federal Programs**

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**2019 – 001**

Federal agency: U.S. Department of Health and Human Services

Federal program title: Medical Assistance Program

CFDA Number: 93.778

Pass-Through Agency: California Department of Health Care Services

Award Period: July 1, 2018 – June 30, 2019

Type of Finding:

- Material Weakness in Internal Control over Compliance – Other Noncompliance

**Criteria or specific requirement:** The compliance supplement notes in section E part 1 that the agency is required to determine client eligibility in accordance with eligibility requirements defined in the approved State plan. Annual redeterminations are required as part of these eligibility requirements.

**Condition:** During eligibility compliance testing, 2 of 40 case files selected did not document a current eligibility determination during the fiscal year and appear to be overdue without suspension of benefits.

**Questioned costs:** None noted.

**Context:** We randomly selected 40 casefiles to test eligibility compliance for Medical Assistance program. Sampling was a statistically valid sample. We noted 2 of the 40 casefiles were not in compliance as cases did not have current renewals performed or were performed well past the annual due date.

**Cause:** The cause of the noted finding is related to the renewal backlog in the department.

**Effect:** Participants in the program who are not having eligibility renewals completed could be receiving benefits that they may no longer be eligible for.

**Repeat Finding:** A repeat finding from prior year.

**Recommendation:** CLA recommends that the County establish a plan to perform redeterminations on casefiles with due and overdue redeterminations to reduce backlog and become current with renewals.

**Corrective Action:** The Department recognizes the importance of processing redeterminations in a timely manner. During FY 18/19, the Department reduced the Medi-Cal renewal backlog by 45% utilizing tools put into practice during the fiscal year. We have enlisted other departments, including Adult Services and Child Welfare Services, to assist in processing backlogs and setting up telephone appointments. These efficiencies and extra workers assigned to the process have helped us continue to decrease the redetermination case backlog. Furthermore,

**COUNTY OF NEVADA**

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2019

the backlog caseload is monitored weekly by management. The Department Head is committed to having the backlogs cleared by the end of next fiscal year and is providing the resources to make this achievable.

**COUNTY OF NEVADA**

Schedule of the California Emergency Management Agency  
and the Board of State and Community Corrections Grants Expenditures  
Year Ended June 30, 2019

Program	Expenditures Claimed			Shares of Expenditures Current Year		
	For the Period Through June 30, 2018	For the Year Ended June 30, 2019	Cumulative As of June 30, 2019	Federal Share	State Share	County Share
Grant Name; Contract #:	VW17310290	VW17310290				
Personal services	\$ 151,452	\$ 37,539	\$ 188,991	\$ 37,539	\$ --	\$ --
Operating expenses	25,349	5,052	30,401	5,052	--	--
Total	<u>\$ 176,801</u>	<u>\$ 42,591</u>	<u>\$ 219,392</u>	<u>\$ 42,591</u>	<u>\$ --</u>	<u>\$ --</u>
Grant Name; Contract #:		VW18320290				
Personal services	\$ --	\$ 166,495	\$ 166,495	\$ 116,100	\$ 19,074	\$ 31,321
Operating expenses	--	38,846	38,846	33,392	5,454	--
Total	<u>\$ --</u>	<u>\$ 205,341</u>	<u>\$ 205,341</u>	<u>\$ 149,492</u>	<u>\$ 24,528</u>	<u>\$ 31,321</u>
Grant Name; Contract #:	XC16010290	XC16010290				
Personal services	\$ 23,937	\$ 17,312	\$ 41,249	\$ 17,312	\$ --	\$ --
Operating expenses	79,994	95,187	175,181	70,943	--	24,244
Total	<u>\$ 103,931</u>	<u>\$ 112,499</u>	<u>\$ 216,430</u>	<u>\$ 88,255</u>	<u>\$ --</u>	<u>\$ 24,244</u>

**COUNTY OF NEVADA**

Supplementary Schedules of the Department of Community Services and Development  
 Statement of Revenue and Expenditures  
 CSD Contract No. 18F-5029 (CSBG - \$309,409) and 19F-4029 (CSBG - \$271,287)  
 For the Period July 1, 2018 through June 30, 2019

	Contract No. 18F-5029			Contract No. 19F-4029		
	July 1, 2018 through May 31, 2019	Less Unearned Revenue	Totals	July 1, 2018 through June 30, 2019	Less Unearned Revenue	Totals
<u>Revenue</u>						
Grant revenue	\$ 154,222	\$ -	\$ 154,222	\$ 63,674		\$ 63,674
Grant receivable	9,757		9,757	12,849		
Total Revenue	<u>\$ 163,979</u>	<u>\$ -</u>	<u>\$ 163,979</u>	<u>\$ 76,523</u>	<u>\$ -</u>	<u>\$ 63,674</u>
<u>Expenditures</u>						
Administrative Costs:						
Salaries and wages	-		-	-		-
Fringe benefits	-		-	-		-
Operating Costs	917		917	-		-
Consultant services	-		-	-		-
Other costs	38,659		38,659	27,102		27,102
Subtotal Administrative Costs	<u>\$ 39,576</u>	<u>\$ -</u>	<u>\$ 39,576</u>	<u>\$ 27,102</u>	<u>\$ -</u>	<u>\$ 27,102</u>
Program Costs:						
Salaries and wages	41,845		41,845	14,720		14,720
Fringe benefits	18,510		18,510	7,441		7,441
Operating Expenses	5,760		5,760	1,100		1,100
Consultant Services	58,288		58,288	26,160		26,160
Subtotal Program Costs	<u>\$ 124,403</u>	<u>\$ -</u>	<u>\$ 124,403</u>	<u>\$ 49,421</u>	<u>\$ -</u>	<u>\$ 49,421</u>
Total Expenditures	<u>\$ 163,979</u>	<u>\$ -</u>	<u>\$ 163,979</u>	<u>\$ 76,523</u>	<u>\$ -</u>	<u>\$ 76,523</u>