



# County of Mendocino Presentation of Audit Reports June 30, 2023

June 25, 2024

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

# Agenda

- Purpose of our Audit
- Audit Approach
- Summary of Audit Results by Engagement
- Required Audit Communication to Governance
- Recent Governmental Accounting Standards Board (GASB) Pronouncements

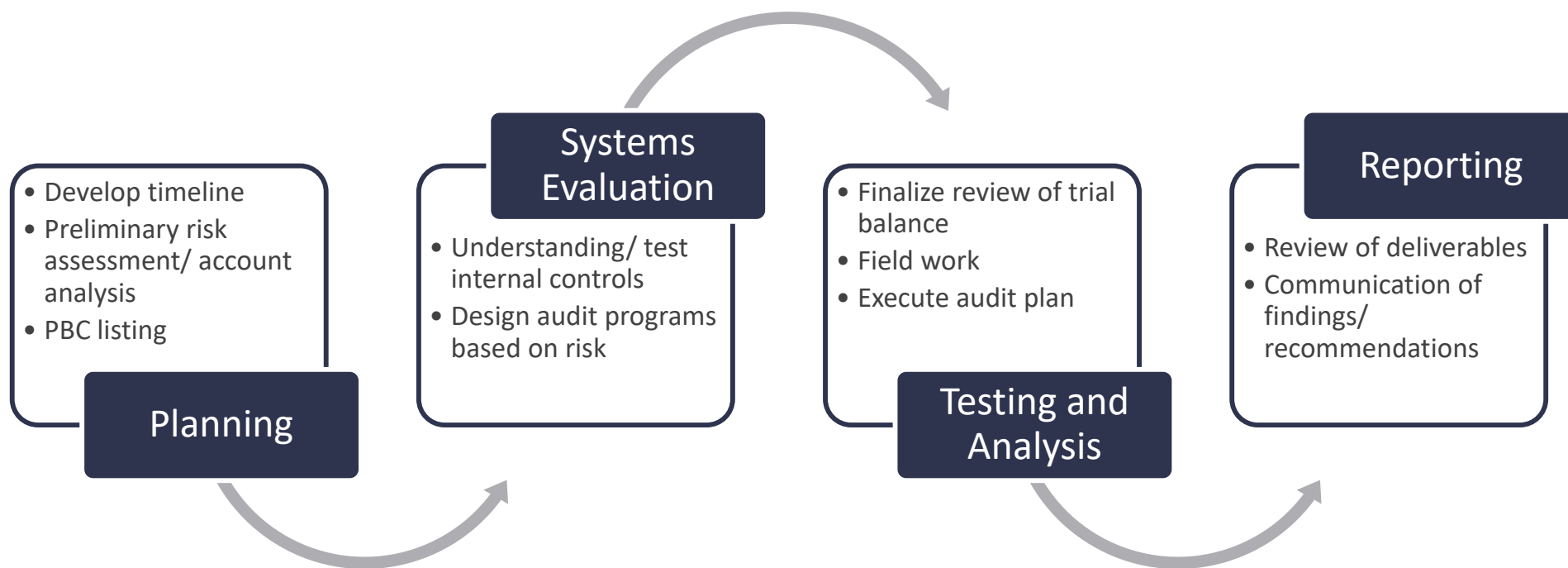


# Purpose of Our Audit

- Express opinions providing *reasonable*, but *not absolute*, assurance whether the County's financial statements are free from material misstatement whether due to fraud or error
- Issue a report on internal controls and compliance as required under Government Auditing Standards



# Audit Approach



# Summary of Audit Results by Engagement

Engagement	Opinion on Financial Statements	Audit Findings
Annual Comprehensive Financial Report (ACFR)	Unmodified	None Reported
Transportation Development Act (TDA)	Unmodified	None Reported



# Summary of Audit Results by Engagement

Engagement	Opinion on Compliance over Major Federal Programs	Opinion on I/C over Major Federal Programs	Audit Findings
Single Audit	Unmodified	Unmodified	None Reported

## Identification of Major Federal Programs

### Assistance Listing Number(s)

10.561  
14.231  
21.027

93.563  
93.658

Dollar threshold used to distinguish between Type A and Type B programs:

Auditee qualified as low-risk auditee?

### Name of Federal Program or Cluster

Supplemental Nutrition Assistance Program  
COVID-19 Emergency Solutions Grants Program  
COVID-19 Coronavirus State and Local Fiscal Recovery Funds  
Child Support Enforcement  
Foster Care Title IV-E

\$ 1,723,089

           yes        x   no



# Summary of Audit Results: Recap of Findings

Engagement	Type	Account	Condition	Recommendation
None Reported				



# Summary of Audit Results: Recap of Prior Audit Findings

Engagement	Type	Account	Condition	Status
ACFR (2022-001)	MW	Various	During the financial close and reporting process, the County did not properly identify and record closing entries related to several accounts, including capital assets, receivables & payables.	Corrected
ACFR (2022-002)	MW	Cash	During our testing the County determined that there were 14 external bank accounts that were not included in County cash and reconciled on a regular basis.	Corrected
ACFR (2022-003)	MW	SEFA	During our testing of the schedule of expenditures of federal awards (SEFA), we identified \$2.1 million of federal expenditures that were erroneously omitted from the SEFA.	Corrected
SA (2022-004)	MW	Payroll	The Department was not able to provide support for \$253,601 of payroll expenditures charged to the Emergency Solutions Grant program, resulting in a scope limitation.	Corrected





# Required Audit Communication

Matter to be Communicated	Auditors' Response
Accounting Policies	<ul style="list-style-type: none"> <li>Significant accounting policies are described in Note 1.</li> <li>No new accounting policies and no significant changes except implementation of GASB 96, <i>SBITAs</i>.</li> </ul>
Accounting Estimates	<ul style="list-style-type: none"> <li>Claims liability based on third party actuarial reports</li> <li>Net pension liability is based on actuarial reports</li> <li>Solid waste landfill closure and post-closure liability is based on engineering estimates approved by the State.</li> </ul>
Corrected Misstatements	<ul style="list-style-type: none"> <li>Offsetting correcting entries of \$9.8 million to regroup custodial and investment trust funds within the fiduciary funds grouping</li> </ul>
Disagreements with Management	<ul style="list-style-type: none"> <li>No disagreements with management</li> </ul>
Consultations with Other Accountants	<ul style="list-style-type: none"> <li>No consultations with other accountants</li> </ul>
Audits of Group Financial Statements	<ul style="list-style-type: none"> <li>No matters related to the group audit of MCERA we considered to be significant to the responsibilities of the Board.</li> </ul>



# Required Audit Communication (continued)

Matter to be Communicated	Auditors' Response
Fraud and Illegal Acts	<ul style="list-style-type: none"> <li>• None identified</li> </ul>
Significant Difficulties Encountered During the Audit	<ul style="list-style-type: none"> <li>• No significant difficulties were encountered while performing our audit procedures.</li> </ul>
Required Supplementary Information (RSI)	<ul style="list-style-type: none"> <li>• Limited procedures were performed, and no opinion was rendered on management's discussion and analysis, budgetary schedules and pension information</li> </ul>
Supplementary Information	<ul style="list-style-type: none"> <li>• Limited procedures were performed, and an in relation to opinion was rendered, on combining nonmajor fund financial statements and the schedule of expenditures of federal awards (SEFA)</li> </ul>
Other Supplementary Information (Introductory and Statistical Sections)	<ul style="list-style-type: none"> <li>• Limited procedures were performed, and no opinion was rendered</li> </ul>
Management Representations	<ul style="list-style-type: none"> <li>• Management provided us with a signed copy of the management representation letter upon completion of each engagement</li> </ul>



# Recent Governmental Accounting Standards Board (GASB) Pronouncements

No significant GASB pronouncements identified.



Questions?



[CLAconnect.com](https://CLAconnect.com)



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor



The information herein has been provided by CliftonLarsonAllen LLP for general information purposes only. The presentation and related materials, if any, do not implicate any client, advisory, fiduciary, or professional relationship between you and CliftonLarsonAllen LLP and neither CliftonLarsonAllen LLP nor any other person or entity is, in connection with the presentation and/or materials, engaged in rendering auditing, accounting, tax, legal, medical, investment, advisory, consulting, or any other professional service or advice. Neither the presentation nor the materials, if any, should be considered a substitute for your independent investigation and your sound technical business judgment. You or your entity, if applicable, should consult with a professional advisor familiar with your particular factual situation for advice or service concerning any specific matters.

CliftonLarsonAllen LLP is not licensed to practice law, nor does it practice law. The presentation and materials, if any, are for general guidance purposes and not a substitute for compliance obligations. The presentation and/or materials may not be applicable to, or suitable for, your specific circumstances or needs, and may require consultation with counsel, consultants, or advisors if any action is to be contemplated. You should contact your CliftonLarsonAllen LLP or other professional prior to taking any action based upon the information in the presentation or materials provided. CliftonLarsonAllen LLP assumes no obligation to inform you of any changes in laws or other factors that could affect the information contained herein.