

**COUNTY OF MENDOCINO
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2025**



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**COUNTY OF MENDOCINO
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

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	1
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	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	12
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	13



**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 Mendocino
Ukiah, California

We have audited in accordance with 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, each major fund and the aggregate remaining fund information of the County of Mendocino, California (the County) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 13, 2026.

Our report includes a reference to other auditors who audited the financial statements of Mendocino County Employees' Retirement Association (MCERA), a pension trust fund, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Mendocino'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 of Mendocino's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Mendocino'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Mendocino’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*.

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
February 13, 2026



**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 Mendocino
Ukiah, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Mendocino'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 of Mendocino's major federal programs for the year ended June 30, 2025. The County of Mendocino's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Mendocino 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, 2025.

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 (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County of Mendocino 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 of Mendocino'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 of Mendocino's federal programs.

Auditors' 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 of Mendocino'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 GAAS, *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 of Mendocino's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 of Mendocino'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 of Mendocino'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 of Mendocino's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance, and which are described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on County of Mendocino's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. County of Mendocino'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.

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, each major fund, and the aggregate remaining fund information of the County of Mendocino as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County of Mendocino's basic financial statements. We issued our report thereon dated February 13, 2026, which contained unmodified opinions on those financial statements. We did not audit the financial statements of Mendocino County Employees' Retirement Association (MCERA), a pension trust fund. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for MCERA, are based solely on the reports of other auditors. 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.



CliftonLarsonAllen LLP

Roseville, California
February 13, 2026

**COUNTY OF MENDOCINO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Agriculture				
Passed through State Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care:				
Pierce's Disease Control Program	10.025	23-0529-022-SF	\$ 18,547	\$ -
Sudden Oak Death	10.025	24-0388-027-SF	12,390	-
European Grapevine Moth Trapping	10.025	23-0729-013-SF	9,748	-
European Grapevine Moth Trapping	10.025	24-0680-015-SF	36,817	-
Pest Detection	10.025	24-0132-020-SF	59,764	-
Subtotal ALN 10.025			137,265	-
Passed through State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:				
Supplemental Nutrition Assistance Program	10.561	--	4,082,483	-
SNAP Ed CDPH-NEOP Branch Admin Costs	10.561	23-10326	137,503	-
Subtotal SNAP Cluster			4,219,986	-
Passed through State Department of Health Services:				
Nutrition Women, Infants, Children (WIC) (Base Program)	10.557	22-10260	941,181	-
Nutrition Women, Infants, Children (WIC) (Breast Feeding Program)	10.557	22-10260	2,576	-
Subtotal ALN 10.557			943,756	-
Direct Program:				
USDA Forest Service	10.788	--	6,655	-
Total U.S. Department of Agriculture			\$ 5,307,663	\$ -
U.S. Department of Housing and Urban Development				
Passed Through State Department of Housing & Community Development:				
Community Development Block Grants (CDBG)	14.228	17-MITRIP-17005-00009	\$ 1,763,415	\$ -
Community Development Block Grants (CDBG)	14.228	17-MITRIP-17005-00010	231,517	-
Community Development Block Grants (CDBG)	14.228	17-MITPPS-21010	126,356	-
Community Development Block Grants (CDBG)	14.228	17-MITPPS-21011	3,452	-
Community Development Block Grants (CDBG)	14.228	20-CDBG-CV2-3-00088	9,987	-
Community Development Block Grants (CDBG)	14.228	20-DRMHP-00006	1,252,681	1,216,275
Community Development Block Grants (CDBG)	14.228	21-CDBG-ED-10007	65,815	-
Community Development Block Grants (CDBG)	14.228	21-CDBG-NH-20006	24,043	-
Subtotal ALN 14.228			3,477,266	1,216,275
COVID-19 Emergency Solutions Grant Program	14.231	--	3,604	-
Supportive Housing Program	14.235	--	31,898	-
Total U.S. Department Housing and Urban Development			\$ 3,512,768	\$ 1,216,275
U.S. Department of Interior				
Direct Program				
Federal Grazing Fee	15.000	--	\$ 1,142	\$ -
Passed through Bureau of Land Management:				
BLM Dispatch Services	15.U01	140L1221P0027	4,500	-
Total U.S. Department of Interior			\$ 5,642	\$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF MENDOCINO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Justice				
Direct programs:				
Domestic Cannabis Eradication & Suppression Prog (DCESP)	16.000	--	\$ 81,598	\$ -
FY 21 Rural Violent Crime Reduction Initiative	16.039	--	54,322	-
State Criminal Alien Assistance Program	16.606	--	18,200	-
Bullet Proof Vest Reimbursement Program	16.607	--	23,575	-
Byrne Justice Assistance Grant Program	16.738	--	12,579	-
COSSAP (Comprehensive Opioid, Stimulant, and Substance Abuse Program)	16.838	--	83,943	-
Subtotal Direct Programs			<u>274,217</u>	<u>-</u>
Passed through State Office of Emergency Services:				
Victim Witness Assistance Program	16.575	VW23420230	86,005	-
Victim Witness Assistance Program	16.575	VW24430230	96,791	-
Subtotal ALN 16.575			<u>182,796</u>	<u>-</u>
Passed through Board of State and Community Corrections:				
Edward Byrne Memorial JAG Grant	16.738	BSCC 1208-23	191,361	-
Total U.S. Department of Justice			<u>\$ 648,374</u>	<u>\$ -</u>
U.S. Department of Transportation				
Direct program:				
Airport Improvement Program	20.106	--	\$ 9,000	\$ -
Airport Improvement Program	20.106	--	75,591	-
Subtotal ALN 20.106			<u>84,591</u>	<u>-</u>
Passed through State Department of Transportation:				
Highway Planning and Construction	20.205	BHLS 5910(081)	4,734,197	-
Highway Planning and Construction	20.205	BRLO 5910(084)	24,601	-
Highway Planning and Construction	20.205	BRLO 5910(085)	48,860	-
Highway Planning and Construction	20.205	BRLO 5910(091)	113,667	-
Highway Planning and Construction	20.205	BRLO 5910(099)	787,578	-
Highway Planning and Construction	20.205	BRLO 5910(100)	159,379	-
Highway Planning and Construction	20.205	BRLO 5910(106)	15,429	-
Highway Planning and Construction	20.205	BRLO 5910(111)	30,074	-
Highway Planning and Construction	20.205	BRLO 5910(112)	34,172	-
Highway Planning and Construction	20.205	BRLO 5910(113)	468	-
Highway Planning and Construction	20.205	BRLO 5910(115)	148,927	-
Highway Planning and Construction	20.205	BRLO 5910(117)	168	-
Highway Planning and Construction	20.205	BRLO 5910(119)	1,237	-
Highway Planning and Construction	20.205	BRLO 5910(123)	1,377	-
Highway Planning and Construction	20.205	BRLO 5910(138)	10,573	-
Highway Planning and Construction	20.205	BRLRT 5910(041)	5,137	-
Highway Planning and Construction	20.205	BRLRT 5910(114)	14,422	-
Highway Planning and Construction	20.205	BRLRT 5910(147)	4,819	-
Highway Planning and Construction	20.205	ER 15J7(118)PR	8,846	-
Highway Planning and Construction	20.205	ER 15J7(152)PR	15,524	-
Highway Planning and Construction	20.205	ER 15J7(198)PR	9,322	-
Subtotal ALN 20.205			<u>6,168,775</u>	<u>-</u>
Total U.S. Department of Transportation			<u>\$ 6,253,366</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF MENDOCINO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Treasury				
Passed through the State Department of Finance:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRF (per Deposit CO ID 9101036151)	\$ 2,671,165	\$ -
Total U.S. Department of Treasury			\$ 2,671,165	\$ -
U.S. Department of Environmental Protection Agency				
Passed through State Air Pollution Control Officers Association: Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act:				
EPA PM 2.5 Grant Clean Air Act	66.034	--	\$ 38,540	\$ -
Passed through State Water Resources Control Board:				
Public Beach Safety Grant	66.472	Reso. No. 2016-0026	28,057	-
Total U.S. Department of Environmental Protection Agency			\$ 66,597	\$ -
U.S. Department of Health and Human Services				
Passed through State Department of Mental Health:				
Projects for Assistance in Transition from Homelessness Providing Access and Transforming Health Capacity and Infrastructure, Transition, Expansion, and Development Program IGT Round 3	93.150	--	\$ 56,520	\$ -
Subtotal ALN 93.150	93.150	110762	25,262	-
Subtotal ALN 93.150			81,782	-
Substance Abuse Mental Health Services Administration COVID-19 CCMU CRRSAA Funds	93.958	--	180,234	-
Subtotal ALN 93.958	93.958	--	240,748	-
Subtotal ALN 93.958			420,982	-
Passed through State Department of Child Support Services:				
Child Support Enforcement	93.563	--	1,570,474	-
Passed through State Department of Social Services:				
Temporary Assistance for Needy Families	93.558	--	7,778,779	-
CalWORKs Home Visiting Program	93.558	24-205	95,836	-
Subtotal ALN 93.558			7,874,615	-
Guardianship Assistance (KinGap IV-E Admin)	93.090	--	194,918	-
Foster Care – Title IV-E	93.658	--	6,511,178	-
Passed through State Department of Health Care Services:				
Foster Care - Title IV-E	93.658	--	2,214,489	-
Subtotal ALN 93.658			8,725,667	-
Passed through State Department of Health Care Services:				
Promoting Safe and Stable Families	93.556	--	59,578	-
Community Services Block Grant	93.569	--	906,258	-
Child Welfare Services - State Grants	93.645	--	116,237	-
Adoption Assistance Program	93.659	--	4,892,017	-
CWS Title XX	93.667	--	233,552	-
Independent Living Program	93.674	--	61,286	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF MENDOCINO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Passed through State Department of Health Care Services:				
Health Care Program for Children in Foster Care	93.994	--	\$ 248,111	\$ -
Case Load Relief for HCPCFC	93.994	--	44,751	-
Health Care Program for Children in Foster Care Psychotropic Medication Management	93.994	--	<u>23,592</u>	-
Subtotal ALN 93.994 - Part 1			<u>316,453</u>	-
Medical Assistance Program - IHSS	93.778	--	2,299,236	-
Medical Assistance Program - DHS Medi-Cal (Federal 50%)	93.778	--	3,868,751	-
Youth Opioid Response (YOR)	93.778	--	9,684	-
Federal Drug Medi-Cal	93.778	NNA23	497,148	-
COVID-19 California Children's Services Monitoring & Oversight	93.778	COVID-19ELC81	<u>11,304</u>	-
Subtotal Medicaid Cluster			6,686,122	-
COVID-19 ELC Enhancing Detection Expansion Funding	93.323	COVID-19ELC81	3,513	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	11 NNA-23	841,793	-
Block Grants Prev & Trtmt Substance Abuse (SABG) - ARPA Expansion	93.959	11 NNA-23	107,833	-
Substance Abuse Mental Health Svcs Admin	93.959	--	<u>144,725</u>	-
Subtotal ALN 93.959 - Part 1			1,094,351	-
Passed through State Department of Public Health:				
Public Health Emergency Preparedness	93.069	22-10661	185,723	-
Tuberculosis Base Award	93.116	2423BASE00	2,497	-
Immunization Grants	93.268	22-11075	256,269	-
COVID-19 CDC Crisis Response: COVID 19 Public Workforce	93.354	COVID-19 Public Workforce	11,937	-
Public Health Workforce Development Supplemental Funding	93.354	WFD-023	<u>2,038</u>	-
Subtotal ALN 93.354			13,974	-
COVID-19 Addressing COVID-19 Health Disparities	93.391	CERI-21-23-22	23,623	-
Hospital Preparedness Program	93.889	22-10661	177,816	-
Disease Intervention Specialist Workforce Development Grant	93.978	21-10566	76,741	-
Maternal & Child Health Services (Title V Block Grant)	93.994	202423-MCAH	238,314	-
Maternal & Child Health Services (Title V Block Grant) - SIDS	93.994	202423-MCAH	<u>1,651</u>	-
Subtotal ALN 93.994 - Part 2			<u>239,965</u>	-
Subtotal ALN 93.994 - Total			<u>556,419</u>	-
Passed through Health Resources and Services Agency				
Rural Communities Opioid Response Program (RCORP)	93.912	--	143,831	-
Passed through SAMSA and Public Health Institute				
California Overdose Prevention Network (COPN) Accelerator 5.0	93.788	--	11,634	-
Passed through Sierra Health Foundation				
COVID-19 Mitigation Project Round 3	93.959	CA24CMP1526	<u>16,379</u>	-
Subtotal ALN 93.959 - Total			<u>1,110,730</u>	-
Total Department of Health and Human Services			<u>\$ 34,386,259</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF MENDOCINO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Homeland Security				
Passed through State Office of Emergency Services:				
Public Assistance Grants	97.036	FEMA-4344-DR-CA, Cal OES ID: 045-00000 PW#37	\$ 663,733	\$ -
Public Assistance Grants	97.036	FEMA-4683-DR-CA, Cal OES ID: 045-00000 PW#824	27,297	-
COVID-19 Public Assistance Grants	97.036	FEMA-DR-4482, Cal OES ID: 045-00000	1,952,314	-
COVID-19 Public Assistance Grants	97.036	FEMA-DR-4482, Cal OES ID: 045-00000	1,336,624	-
Subtotal ALN 97.036			<u>3,979,967</u>	<u>-</u>
Hazard Mitigation Grant Program	97.039	FEMA-DR-4353, Cal OES DR-4353-PJ03306	233,202	-
Hazard Mitigation Grant Program	97.039	FEMA-DR407, Cal OES DR-407-206-158F	9,999	-
Hazard Mitigation Grant Program	97.039	FEMA DR4558, Cal OES DR-4558-405-72R	7,845	-
Hazard Mitigation Grant Program	97.039	FEMA DR4558, Cal OES DR-4558-436-063R	35,098	-
Hazard Mitigation Grant Program	97.039	FEMA DR4683, Cal OES DR-4683-1062-26P	46,448	-
Subtotal ALN 97.039			<u>332,592</u>	<u>-</u>
Building Resilient Infrastructure and Communities (BRIC)	97.047	BRIC22-PA01908	86,660	-
Passed through California Emergency Management Agency:				
EMPG	97.042	--	142,812	-
Homeland Security Grant Program (HSPG)	97.067	--	335,636	-
Total U.S. Department of Homeland Security			<u>\$ 4,877,667</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 57,729,501</u>	<u>\$ 1,216,275</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF MENDOCINO.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025

NOTE 1 REPORTING ENTITY

The accompanying schedule of expenditures of federal awards (Schedule) presents the activity of all federal awards programs of the County of Mendocino (County). The County'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 is prepared on a modified accrual basis. The information in this Schedule is presented in accordance with the requirements of 2 CFR 1.200, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 3 INDIRECT COST RATE

The County did not elect to use the 10% de minimis indirect cost rate as covered in 2 CFR §200.414. Uniform Guidance, §200.510(6), requires the County to disclose whether or not it elected to use the 10 percent de minimis cost rate that §200.414(f) allows for nonfederal entities that have never received a negotiated indirect cost rate.

NOTE 4 PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the Schedule shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County 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.

**COUNTY OF MENDOCINO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors’ Reports

Financial Statements

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

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____none reported
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

Assistance Listing Number(s)	Name of Federal Program or Cluster
93.658	Foster Care Title IV-E Program
93.558	Temporary Assistance for Needy Families Program
93.778	Medical Assistance Program
97.036	Disaster Grants - Public Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,731,885

Auditee qualified as low-risk auditee? _____ yes x no

**COUNTY OF MENDOCINO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

Section III – Findings and Questioned Costs – Major Federal Programs

2025 – 001

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

Federal program title: Medical Assistance Program

Assistance Listing Number: 93.778

Pass-Through Agency: State of California, Department of Health Care Services

Pass-Through Number(s): Not Available

Federal Award Identification Number and Year: 2505CA5ADM, 2505CA5MAP - 2025

Award Period: July 1, 2024 to June 30, 2025

Type of Finding: Significant deficiency in Internal Control over Compliance, Other Matters

Criteria: As required at 42 CFR 435.916, Counties must redetermine Medicaid eligibility every 12 months and ensure verification of information through appropriate systems such as the Income and Eligibility Verification System (IEVS). For non-MAGI beneficiaries, states must renew eligibility at least once every 12 months as described in the Medicaid state plan.

Condition: During review of 40 eligibility determinations and redeterminations, we identified two exceptions: one case lacked documentation of IEVS reports required to verify income and eligibility information, and another case had a redetermination completed more than 12 months prior to the active eligibility date, which does not comply with the annual redetermination requirement under 42 CFR 435.916.

Questioned costs: None

Context: The Medical Assistance Program requires counties to maintain robust eligibility controls to ensure benefits are provided only to qualified individuals. These controls include verifying income and eligibility through systems such as the Income and Eligibility Verification System (IEVS) and conducting annual redeterminations within 12 months of the active eligibility date. Out of 40 eligibility determinations and redeterminations, there are two cases where these controls were not properly implemented, indicating a significant deficiency in internal control.

Cause: The deficiencies occurred due to inadequate monitoring and enforcement of established eligibility control procedures by program staff.

Effect: Failure to properly implement eligibility controls increases the risk that ineligible individuals may receive benefits under the Medical Assistance Program, potentially resulting in noncompliance with federal requirements and questioned costs.

**COUNTY OF MENDOCINO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Repeat Finding: This is not a repeat finding.

Recommendation: CLA recommends that the County strengthen monitoring procedures to ensure that Income and Eligibility Verification System (IEVS) reports are obtained and retained for all eligibility determinations, implement controls to verify that redeterminations are completed within the required 12-month timeframe prior to the active eligibility date, and provide staff training on compliance requirements and proper documentation standards to reinforce adherence to established policies.

Views of responsible officials: There is no disagreement with the audit finding.

2025 – 002

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

Federal program title: Temporary Assistance for Needy Families Program

Assistance Listing Number: 93.558

Pass-Through Agency: State of California, Department of Social Services

Pass-Through Number(s): Not Available

Federal Award Identification Number and Year: 2601CATANF - 2025

Award Period: July 1, 2024 to June 30, 2025

Type of Finding: Significant deficiency in Internal Control over Compliance, Other Matters

Criteria: Per OMB Compliance Supplement 93.558, Compliance Requirement E, 1b(1): Counties must ensure TANF benefits are not provided beyond the 60-month lifetime limit unless an exemption applies (e.g., hardship or extreme cruelty documented under aid code 33). Controls should exist to track cumulative months and terminate benefits when the limit is reached unless proper documentation supports an exemption.

Condition: During testing of 40 sampled cases, 1 case was identified where aid code 30 was charged after the 60-month lifetime limit. The noncompliant payments occurred in December 2024, January 2025, and February 2025, totaling \$2,652.

Questioned costs: \$2,652

Context: The TANF program provides temporary financial assistance to eligible families and imposes a 60-month lifetime limit on aid unless an exemption applies, such as hardship or extreme cruelty documented under aid code 33. Counties must monitor cumulative months of aid and terminate benefits when the limit is reached unless proper documentation supports an exemption. In our review of 40 cases, controls generally existed to track the limit and apply exemptions; however, one case continued under aid code 30 beyond the 60-month limit, resulting in noncompliant payments totaling \$2,652 for December 2024 through February 2025.

Cause: Although controls exist to track the 60-month limit, they were not properly implemented in this instance, allowing benefits to continue beyond the allowable period.

**COUNTY OF MENDOCINO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Effect: Improper payment of \$2,652, which is not material to the program but represents a significant deficiency in internal control.

Repeat Finding: This is not a repeat finding.

Recommendation: CLA recommends the County strengthen monitoring controls to ensure benefits are terminated promptly upon reaching the 60-month limit unless valid exemptions are documented, implement periodic system audits to detect and prevent similar errors, provide staff training on proper coding and documentation for exemptions such as aid code 33 for hardship or extreme cruelty, and recover improper payments where feasible while reporting corrective actions to the State Department of Social Services.

Views of responsible officials: There is no disagreement with the audit finding.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.