

COUNTY OF MADERA
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2020



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**COUNTY OF MADERA
SINGLE AUDIT REPORT
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YEAR ENDED JUNE 30, 2020**

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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

The Honorable Board of Supervisors
County of Madera
Madera, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Madera (the County), as of and for the year ended June 30, 2020, 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 22, 2020. Our report includes a reference to other auditors who audited the financial statements of the Community Action Partnership of Madera County and the Madera County Workforce Investment Corporation, discretely presented component units, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 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
December 22, 2020



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

The Honorable Board of Supervisors
County of Madera
Madera, California

Report on Compliance for Each Major Federal Program

We have audited the County of Madera's (the County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (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, 2020. 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.

As described in Note 1 to the Schedule, the County of Madera's basic financial statements include the operations of the Madera County Workforce Investment Corporation (MCWIC) which reported \$2,700,482 in federal awards and include the operations of Community Action Partnership of Madera County (CAPMC) which reported \$20,550,494 in federal awards, which are not included in the County of Madera's Schedule for the fiscal year ended June 30, 2020. Our audit, described below, did not include the operations of MCWIC and CAPMC because MCWIC and CAPMC engaged other auditors to perform an audit in accordance with Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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, 2020.

Other Matters

The results of our auditing procedures disclosed other 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 item 2020-001. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of County of Madera 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 County of Madera'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 County of Madera'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 not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying

schedule of findings and questioned costs as item [2020-01] that we consider to be a significant deficiency.

County of Madera's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Madera'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, the 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, 2020, and have issued our report thereon dated December 22, 2020, that contained an unmodified opinion on those financial statements. We did not audit the Community Action Partnership of Madera County and the Madera County Workforce Investment Corporation, which represents 100 percent of the assets, liabilities and revenues of the discretely presented component units, as of and for the year ended June 30, 2020. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Community Action Partnership of Madera County and the Madera County Workforce Investment Corporation, is based solely on the report of the auditors. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 financial statements or to the 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



CliftonLarsonAllen LLP

Roseville, California
March 26, 2021

**COUNTY OF MADERA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
<u>U.S. Department of Agriculture</u>				
Passed through State Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-0453-052 SF	\$ 6,834	\$ 6,834
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-0453-052 SF	23,828	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-0453-004 SF	40,479	40,479
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-0453-004 SF	75,084	-
Subtotal			146,225	47,313
Passed through the State Department of Education:				
School Breakfast Program	10.553	01867-SN-20-R	23,795	-
National School Lunch Program	10.555	01867-SN-20-R	41,272	-
Subtotal - Child Nutrition Cluster			65,067	-
Passed through the State Department of Public Health:				
Supplemental Nutrition Assistance Program.	10.551	19-10341	238,154	-
Passed through the State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		2,983,981	-
Subtotal - SNAP Cluster			3,222,135	-
Passed through the State Department of Public Health:				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	19-10158	2,142,372	-
Passed through State Department of Forestry and Fire Protection:				
Cooperative Forestry Assistance	10.664	7FG18066	9,387	-
Total U.S. Department of Agriculture			\$ 5,585,186	\$ 47,313
<u>U.S. Department of Housing and Urban Development</u>				
Passed through the State Department of Public Health:				
Housing Opportunities for Persons with AIDS	14.241	19-10516	\$ 66,088	-
Housing Opportunities for Persons with AIDS	14.241	19-CARES	24,007	-
Subtotal			90,095	-
Passed through State Department of Housing and Community Development:				
Community Development Block Grants/Entitlement Grants	14.228	17-CDBG-12021	22,595	20,943
Community Development Block Grants/Entitlement Grants	14.228	Program Income	261,078	2,078
Community Development Block Grants/Entitlement Grants (Outstanding Loan)	14.228	Outstanding Loan	4,731,568	-
Subtotal			5,015,241	23,021
Home Investments Partnership Program (Outstanding Loan)	14.239	Outstanding Loan	2,101,822	-
Subtotal			2,101,822	-
Total U.S. Department of Housing and Urban Development			\$ 7,207,158	\$ 23,021
<u>U.S. Department of the Interior</u>				
Direct Award				
WaterSMART (Sustain & Manage America's Resources for Tomorrow)	15.507		\$ 77,830	\$ -
Total U.S. Department of the Interior			\$ 77,830	\$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF MADERA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Justice				
Passed through the California Board of State and Community Corrections				
Edward Byrne Memorial JAG	16.738	BSCC-601-19	\$ 97,002	\$ -
Edward Byrne Memorial JAG	16.738	BSCC-0050-18-MH	20,144	-
Direct Award:				
Edward and Byrne Memorial JAG	16.738		28,684	-
Edward and Byrne Memorial JAG	16.738		28,117	-
Subtotal (CFDA 16.738)			173,947	-
Domestic Cannabis Eradication	16.2019-24		81,887	-
Domestic Cannabis Eradication	16.2020-22		54,793	-
Subtotal			136,680	-
State Criminal Alien Assistant Program	16.606		132,520	-
State Criminal Alien Assistant Program	16.606		159,656	-
Subtotal			292,176	-
Passed through the Governor's Office of Emergency Services:				
Crime Victim Assistance	16.575	XC1610200	42,996	-
Crime Victim Assistance	16.575	XC1920200	53,521	-
Crime Victim Assistance	16.575	VW19-33-0200	219,565	-
Crime Victim Assistance	16.575	VW18-32-0200	94,792	-
Subtotal			410,874	-
Violence Against Women Formula Grants	16.588	PU18010200	87,542	-
Total U.S. Department of Justice			\$ 1,101,219	\$ -
U.S. Department of Transportation				
Passed through the State Department of Transportation:				
Highway Planning & Construction	20.205	CML-5941(114)	\$ 535	\$ -
Highway Planning & Construction	20.205	CML-5941(102)	24,806	-
Highway Planning & Construction	20.205	CML-5941(113)	970,508	-
Highway Planning & Construction	20.205	BRLO-5941(081)	197,095	-
Highway Planning & Construction	20.205	BRLO-5941(089)	11,280	-
Highway Planning & Construction	20.205	BPMP-5941(100)	75,516	-
Highway Planning & Construction	20.205	BRLO-5941(103)	4,885	-
Highway Planning & Construction	20.205	BRLO-5941(104)	53,365	-
Highway Planning & Construction	20.205	BRLS-5941(088)	18,162	-
Highway Planning & Construction	20.205	SSARPL-5941(117)	132,257	-
Highway Planning & Construction	20.205	CML-5941(120)	10,724	-
Subtotal			1,499,133	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	64BO19-00961	289,321	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	64VO20-01082	388,322	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	64BC19-00960	61,670	-
Subtotal			739,313	-
Passed through California Office of traffic Safety				
State and Community Highway Safety	20.600	EM20005	105,000	-
Total U.S. Department of Transportation			\$ 2,343,446	\$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF MADERA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
<u>U.S. Department of Environmental Protection Agency</u>				
Passed through the State Department of Water Resources Control Board:				
Drinking Water State Revolving Fund	66.468	SRFLPA50	\$ 56,074	\$ -
Subtotal			<u>56,074</u>	<u>-</u>
Total U.S. Department of Environmental Protection Agency			<u>\$ 56,074</u>	<u>\$ -</u>
<u>U.S. Election Assistance Commission</u>				
Passed through State Department of General Services:				
Help America Vote Act (HAVA)	90.401	19S10057	\$ 15,000	\$ -
Subtotal			<u>15,000</u>	<u>-</u>
Total U.S. Election Assistance Commission			<u>\$ 15,000</u>	<u>\$ -</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through the Fresno-Madera Area Agency of Aging				
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	20-1455	\$ 40,000	\$ -
Direct Award				
Food and Drug Administration Research	93.103		2,609	-
Food and Drug Administration Research	93.103		732	-
Subtotal			<u>3,341</u>	<u>-</u>
Passed through State Department of Public Health:				
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	18-10237A01	124,967	-
Tuberculosis Control Program	93.116	1920BASE00	20,751	-
Childhood Lead Poisoning Prevention Program (CLPPP)	93.197	17-10225	18,897	-
Immunization	93.268	17-10327	56,281	-
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	18-10863	13,667	-
HIV Care Formula Grants	93.717	20-10058	3,705	-
Racial and Ethnic Approaches to Community Health (REACH)	93.738	18-10552	197,258	-
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	CHVP-19-23	569,571	-
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	CHVP SGF EXP 19-20	69,419	-
Subtotal			<u>638,990</u>	<u>-</u>
HIV Care Formula Grants	93.917	20-10058	9,430	-
HIV Care Formula Grants	93.917	18-10874	88,663	-
HIV Care Formula Grants	93.917	16-10849A01	51,036	-
Subtotal			<u>149,129</u>	<u>-</u>
Hospital Preparedness Program	93.074	17-10167	47,229	-
Public Health Emergency Preparedness	93.074	17-10167	35,743	-
Subtotal			<u>82,972</u>	<u>-</u>
Children's Health Insurance Program	93.767	CCS IN 116-06	451,254	-
Children's Health Insurance Program	93.767	CCS IN 116-06	94,424	-
Subtotal			<u>545,678</u>	<u>-</u>
State Department of Child Support Services	93.995	201920	12,344	-
Maternal and Child Health Services Block Grant to the States	93.994	201920	36,250	-
Passed through State Department of Health Care Services:				
Maternal and Child Health Service Block Grant	93.994	DHCS-HCPCFC	66,474	-
Subtotal			<u>102,724</u>	<u>-</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF MADERA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Projects for Assistance in Transition from Homelessness (PATH)	93.150		35,231	11,463
Block Grants for Community Mental Health Services	93.958		65,823	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	11037A-C-2019	718,918	361,722
Medical Assistance Program	93.778	CHDP 17-04	162,199	-
Passed through the State Department of Social Services:				
Medical Assistance Program	93.778		3,780,302	-
Subtotal			<u>3,942,501</u>	<u>-</u>
Guardianship Assistance	93.090		44,659	-
Promoting Safe and Stable Families	93.556		182,128	-
Temporary Assistance for Needy Families	93.558		12,117,642	-
Adoption and Legal Guardianship Incentive Payments	93.603		197,850	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645		380,369	-
Foster Care – Title IV-E	93.658		4,709,737	-
Adoption Assistance	93.659		2,138,703	-
Social Services Block Grant	93.667		904,856	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674		43,535	-
Passed through the California Department of Child Support Services				
Child Support Enforcement	93.563	1901CACSES	2,099,972	-
Total U.S. Department of Health and Human Services			<u>\$ 29,592,628</u>	<u>\$ 373,185</u>
<u>U.S. Department of Homeland Security</u>				
Passed through the State Governor's Office of Emergency Services:				
Emergency Management Performance Grants	97.042	2019-0003	\$ 109,693	\$ -
State Homeland Security Grant Program	97.067	2017-0083	76,350	-
State Homeland Security Grant Program	97.067	2018-0054	21,000	-
State Homeland Security Grant Program	97.067	2019-0035	61,600	-
Subtotal			<u>158,950</u>	<u>-</u>
Direct Award				
Staffing for Adequate Fire and Emergency Response	97.083		330,300	-
Total U.S. Department of Homeland Security			<u>\$ 598,943</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 46,577,484</u>	<u>\$ 443,519</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF MADERA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the County of Madera for the year ended June 30, 2020, except for federal awards received by the Madera County Workforce Investment Corporation and Community Action Partnership of Madera County. Madera County Workforce Investment Corporation and Community Action Partnership of madera County engaged other auditors to perform an audit in accordance with the U.S. Office of Management and Budget, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200) also referred to as the Uniform Guidance.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. 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. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 CATALOG OF FEDERAL DOMESTIC (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2020 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier and the word "unknown" were used.

NOTE 4 INDIRECT COST RATE

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

NOTE 5 LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2020 as follows:

<u>CFDA No.</u>	<u>Federal Program</u>	<u>Outstanding Loans</u>	<u>Loans with Continuing Compliance Requirements</u>
14.228	Community Development Block Grant/States Program	\$ 4,523,879	\$ 4,731,568
14.239	Home Investment Partnership Program	2,098,020	2,101,822

**COUNTY OF MADERA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

NOTE 6 OTHER LOANS

Outstanding federally-funded program loans, carried balances as of June 30, 2020 as follows:

<u>CFDA No.</u>	<u>Federal Program</u>	<u>Outstanding Loans</u>
10.760	Water and Water Disposal Systems for Rural Counties	\$ 2,600,000

NOTE 7 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 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 MADERA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

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 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

CFDA Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
93.658	Foster Care
93.558	TANF Cluster
93.659	Adoption Assistance
93.563	Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,389,555

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

**COUNTY OF MADERA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

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

**COUNTY OF MADERA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section III – Findings and Questioned Costs – Major Federal Programs

2020 – 001

Federal agency: U.S Department of Transportation

Federal program title: Highway Planning and Construction

Cluster CFDA Number: 20.205

Pass-Through Agency: State Department of Transportation

Award Period: July 1, 2019 – June 30, 2020

Type of Finding:

- Significant deficiency in internal control over compliance.
- Other instance of noncompliance.

Criteria or specific requirement: Per the 2020 OMB Compliance Supplement 'I. Procurement and Suspension and Debarment 2. Compliance Requirements - Suspension and Debarment' non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred.

Condition: The County did not complete the Suspension and Debarment requirement for consultants used in the Highway Planning and Construction Cluster.

Questioned costs: None noted.

Context: In the process of auditing the Highway Planning and Construction Cluster's Procurement Suspension and Debarment requirement, we noted the County did not properly satisfy whether hired consultants were suspended or debarred from federally funded contracts.

Cause: The County recognizes the requirement but have not specifically required the suspension and debarment form from consultants.

Effect: The County may improperly enter into an agreement with a company that has been debarred from contracts due to allegations of fraud, mismanagement and similar improprieties which could result in a forfeit of federal funds.

Repeat Finding: No

Recommendation: CLA recommend the County updates its purchasing policy to include completing the suspension and debarment requirement for vendors that are awarded federally funded contracts.

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