

**COUNTY OF MADERA  
SINGLE AUDIT REPORT  
YEAR ENDED JUNE 30, 2022**



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YEAR ENDED JUNE 30, 2022**

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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**

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 unit, each major fund, and the aggregate remaining fund information of County of Madera, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County of Madera's basic financial statements, and have issued our report thereon dated September 22, 2023. Our report includes a reference to other auditors who audited the financial statements of the Madera County Workforce Investment Corporation, as described in our report on the County's financial statements. The 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 these auditors.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered County of Madera'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 County of Madera's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Madera'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.

Honorable Board of Supervisors  
County of Madera


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 Madera’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  
September 22, 2023



**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**

Honorable Board of Supervisors  
County of Madera  
Madera, California

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

***Qualified and Unmodified Opinions***

We have audited County of Madera'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 County of Madera's major federal programs for the year ended June 30, 2022. County of Madera's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Madera County Workforce Investment Corporation (MCWIC), which expensed \$2,768,911 in federal awards which is not included in the County's schedule of expenditures of federal awards during the year ended June 30, 2022. Our audit, described below, did not include the operations of MCWIC because MCWIC engaged other auditors to perform an audit in accordance with the Uniform Guidance.

***Qualified Opinion on Community Development Block Grant***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, County of Madera complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Assistance Listing No. 14.228 Community Development Block Grant for the year ended June 30, 2022.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, County of Madera 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 other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

***Basis for Qualified and Unmodified Opinions***

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 County of Madera 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of County of Madera's compliance with the compliance requirements referred to above.

*Matter Giving Rise to Qualified Opinion on Community Development Block Grant*

As described in the accompanying schedule of findings and questioned costs, County of Madera did not comply with requirements regarding Assistance Listing No. 14.228 Community Development Block Grant as described in finding number 2022-001 for Allowable Costs and Activities.

Compliance with such requirements is necessary, in our opinion, for County of Madera to comply with the requirements applicable to that program.

**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 County of Madera'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 County of Madera'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 County of Madera'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 County of Madera'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 County of Madera'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 County of Madera'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**

*Government Auditing Standards* requires the auditor to perform limited procedures on County of Madera's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. County of Madera'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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weaknesses.

*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 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.

Honorable Board of Supervisors  
County of Madera

*Government Auditing Standards* requires the auditor to perform limited procedures on the County of Madera'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 Madera'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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Madera as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise County of Madera's basic financial statements. We have issued our report thereon, dated September 22, 2023, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the discretely presented component unit. 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 basic 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  
September 22, 2023



**COUNTY OF MADERA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
<b><u>U.S. Department of Agriculture</u></b>				
Passed through State Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-0727-053-SF	\$ 22,067	\$ -
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-0727-052-SF	43,060	28,668
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-0727-052-SF	57,218	-
Subtotal - Assistance Listing Number 10.025			<u>122,345</u>	<u>28,668</u>
Passed through the State Department of Public Health:				
Supplemental Nutrition Assistance Program	10.551	19-10341	3,435,600	-
Subtotal - SNAP Cluster			<u>3,435,600</u>	<u>-</u>
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	19-10158	516,682	-
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	19-10158	1,636,548	-
Subtotal - Assistance Listing Number 10.557			<u>2,153,230</u>	<u>-</u>
Passed through the State Department of Education:				
School Breakfast Program	10.553	01867-SN-20-R	15,489	-
National School Lunch Program	10.555	01867-SN-20-R	27,360	-
Subtotal - Child Nutrition Cluster			<u>42,849</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>\$ 5,754,024</u>	<u>\$ 28,668</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Passed through State Department of Housing and Community Development:				
Community Development Block Grants/State's Program and Non-Entitlement in Hawaii	14.228	Program Income	\$ 52,993	\$ -
Community Development Block Grants/State's Program and Non-Entitlement in Hawaii	14.228	Program Income	4,323,592	-
Subtotal - Assistance Listing Number 14.228			<u>4,376,585</u>	<u>-</u>
Home Investment Partnerships Program	14.239	Program Income	2,037,220	-
Passed through the State Department of Public Health:				
COVID 19 - Housing Opportunities for Persons with AIDS	14.241	19-10516 AO1	76,914	-
Total U.S. Department of Housing and Urban Development			<u>\$ 6,490,719</u>	<u>\$ -</u>
<b><u>U.S. Department of Justice</u></b>				
Direct Award:				
COVID 19 - Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-1492	\$ 61,835	\$ -
Public Safety Partnership and Community Policing Grants	16.710	2020UMX0080	186,529	-
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-21-GG-02135	33,507	-
Subtotal - Assistance Listing Number 16.710			<u>220,036</u>	<u>-</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG01234-JAGX	34,091	-
Domestic Cannabis Eradication	16.579	2021-25	18,237	-
Domestic Cannabis Eradication	16.579	2022-25	61,978	-
Subtotal			<u>80,215</u>	<u>-</u>
Passed through the Governor's Office of Emergency Services:				
Crime Victim Assistance	16.575	XC20030200	61,598	-
Crime Victim Assistance	16.575	XC21040200	86,498	-
Subtotal - Assistance Listing Number 16.575			<u>148,096</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, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
<b><u>U.S. Department of Justice Continued</u></b>				
Violence Against Women Formula Grants	16.588	PU19 02 0200	\$ 87,264	\$ -
Passed through the Board of State and Community Corrections: Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC-601-19	124,686	-
Total U.S. Department of Justice			<u>\$ 756,223</u>	<u>\$ -</u>
<b><u>U.S. Department of Transportation</u></b>				
Passed through the State Department of Transportation:				
Highway Planning & Construction	20.205	CML5941(122)	\$ 4,008	\$ -
Highway Planning & Construction	20.205	CML 5941(102)	18,853	-
Highway Planning & Construction	20.205	CML5941(131)	20,200	-
Highway Planning & Construction	20.205	BRLS5941(100)	26,192	-
Highway Planning & Construction	20.205	BRLO5941(104)	23,025	-
Highway Planning & Construction	20.205	BRLO5941(081)	47,127	-
Highway Planning & Construction	20.205	BRLO5941(089)	73,387	-
Highway Planning & Construction	20.205	BRLO5941(103)	22,694	-
Subtotal - Highway Planning and Construction Cluster			<u>235,486</u>	<u>-</u>
Formula grants for Rural Areas:	20.509	64VO20-01082	409,076	-
Total U.S. Department of Transportation			<u>\$ 644,562</u>	<u>\$ -</u>
<b><u>U.S. Department of the Treasury</u></b>				
Direct Award				
COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		\$ 586,781	\$ 586,781
COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		3,037,869	-
Subtotal - Assistance Listing Number 21.027			<u>3,624,650</u>	<u>586,781</u>
Passed through the North Fork Rancheria COVID 19 - Coronavirus Relief Fund	21.019		273	-
Total U.S. Department of the Treasury			<u>\$ 3,624,923</u>	<u>\$ 586,781</u>
<b><u>U.S. Department of Health and Human Services</u></b>				
Direct Award:				
Child Support Enforcement	93.563		\$ 2,110,444	\$ -
Passed through the State Department of Health Care Services:				
Public Health Emergency Preparedness	93.069	17-10167	173,885	-
Projects for Assistance in Transition from Homelessness (PATH)	93.150	21-10090	39,136	39,136
Ending the HIV Epidemic: A Plan for America	93.767	CCS IN 17-03	608,068	-
Ending the HIV Epidemic: A Plan for America	93.767	CCS IN 17-03	88,072	-
Subtotal - Assistance Listing Number 93.767			<u>696,140</u>	<u>-</u>
National Bioterrorism Hospital Preparedness Program	93.889	17-10167	131,398	-
Block Grants for Community Mental Health Services	93.958	21-10090	370,319	9,353
Block Grants for Prevention and Treatment of Substance Abuse	93.959	21-10090	863,688	137,511
Maternal and Child Health Services Block Grant to the States	93.994		113,310	-
Maternal and Child Health Services Block Grant to the States	93.994	202020	26,323	-
Maternal and Child Health Services Block Grant to the States	93.994	202120	51,302	-
Subtotal - Assistance Listing Number 93.994			<u>190,935</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, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
<b><u>U.S. Department of Health and Human Services Continued</u></b>				
Passed through the State Department of Public Health:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2020R-TA00	\$ 3,445	\$ -
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	20-10529	19,210	-
COVID 19 Immunization Cooperative Agreements	93.268	17-10327, A03	56,462	-
COVID 19 Immunization Cooperative Agreements	93.268	17-10327, A03	1,980,875	-
Subtotal - Assistance Listing Number 93.268			<u>2,037,337</u>	<u>-</u>
COVID 19 Epidemiology and Lab Capacity for Infectious Diseases (ELC)	93.323		1,303	-
COVID 19 Epidemiology and Lab Capacity for Infectious Diseases (ELC)	93.323	COVID-19ELC20	1,115,558	-
COVID 19 Epidemiology and Lab Capacity for Infectious Diseases (ELC)	93.323	COVID-19ELC78	2,669,958	-
Subtotal - Assistance Listing Number 93.323			<u>3,786,819</u>	<u>-</u>
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	20-10284	72,782	-
Medical Assistance Program	93.778	PPA20-19 TCM	4,221,100	-
Subtotal - Medicaid Cluster			<u>4,221,100</u>	<u>-</u>
Family Planning Services	93.217	5320-70209-21-22	71,229	-
PPHF: Racial and Ethnic Approaches to Community Health Program Financed Solely by Public Prevention and Health Funds	93.738	18-10552, A01	144,228	-
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	CHVP 21-20	573,951	-
HIV Care Formula Grants	93.917	20-10058	9,945	-
HIV Care Formula Grants	93.917	18-10874	87,684	-
Subtotal - Assistance Listing Number 93.917			<u>97,629</u>	<u>-</u>
Passed through the State Department of Social Services:				
Guardianship Assistance	93.090		15,435	-
Promoting Safe and Stable Families	93.556		354,790	-
Temporary Assistance for Needy Families (TANF)	93.558		12,597,939	-
Adoption and Legal Guardianship Incentive Payments	93.603		100,543	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645		84,514	-
Foster Care-Title IV-E	93.658		6,669,152	-
COVID 19 - Foster Care-Title IV-E	93.658		158,074	-
Subtotal - Assistance Listing Number 93.658			<u>6,827,226</u>	<u>-</u>
Adoption Assistance- Title IV-E	93.659		2,711,880	-
COVID 19- Adoption Assistance-Title IV-E	93.659		324,142	-
Subtotal - Assistance Listing Number 93.659			<u>3,036,022</u>	<u>-</u>
Social Services Block Grant	93.667		885,929	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674		47,537	-
Elder Abuse Prevention Interventions	93.747		195,057	-
Refugee and Entrant Assistance	93.566		1,106	-
Total U.S. Department of Health and Human Services			<u>\$ 39,749,773</u>	<u>\$ 186,000</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF MADERA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
<b><u>U.S. Department of Homeland Security</u></b>				
Passed through the State Governor's Office of Emergency Services:				
Emergency Management Performance Grants	97.042	2020-0006	\$ 134,607	\$ -
Emergency Management Performance Grants	97.042	2020-0015	64,640	-
Subtotal - Assistance Listing Number 97.042			<u>199,247</u>	<u>-</u>
Homeland Security Grant Program (HSGP)	97.067	2019-0035	45,905	-
Homeland Security Grant Program (HSGP)	97.067	2020-0095	24,580	-
Subtotal - Assistance Listing Number 97.067			<u>70,485</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>\$ 269,732</u>	<u>\$ -</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 57,289,956</u></b>	<b><u>\$ 801,449</u></b>

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, 2022**

**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, 2022, except for federal awards received by the Madera County Workforce Investment Corporation. Madera County Workforce Investment Corporation 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 FEDERAL ASSISTANCE LISTING NUMBER**

The program titles and Federal Assistance Listing numbers were obtained from the federal or pass-through grantor. When no Federal Assistance Listing 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, 2022 as follows:

<u>Assistance Listing Number</u>	<u>Federal Program</u>	<u>Outstanding Loans</u>	<u>Loans with Continuing Compliance Requirements</u>
14.228	Community Development Block Grant/States Program	\$ 3,983,831	\$ 4,323,592
14.239	Home Investment Partnership Program	2,035,575	2,037,220

**COUNTY OF MADERA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

**NOTE 6 OTHER LOANS**

Outstanding federally funded program loans, carried balances as of June 30, 2022 as follows:

Assistance Listing Number	Federal Program	Outstanding Loans
10.760	Water and Water Disposal Systems for Rural Counties	\$ 2,495,000

**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, 2022**

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***Section I – Summary of Auditors’ Results***

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***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?   x   yes      \_\_\_\_\_ no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported

Type of auditors’ report issued on compliance for major federal programs: Unmodified for all major federal programs except for the Community Development Block Grant Program, Federal Assistance Listing Number 14.228, which was qualified.

2. 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**

**Name of Federal Program or Cluster**

10.551	Supplemental Nutrition Assistance Program Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
14.228	Community Development Block Grants
14.239	Home Investments Partnership Program
21.027	COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
93.268	COVID 19 - ELC Program
93.558	Temporary Assistance for Needy Families
93.778	Medical Assistance Program

**COUNTY OF MADERA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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***Section I – Summary of Auditors’ Results (Continued)***

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

\$ 1,718,699

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes        x   no



**COUNTY OF MADERA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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

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

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

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**2022 – 001**

**Federal agency:** US Department of Housing and Urban Development

**Federal program title:** Community Development Block Grant

**Federal Assistance Listing Number:** 14.228

**Pass-Through Agency:** State Department of Housing and Community Development

**Award Period:** July 1, 2021 – June 30, 2022

**Type of Finding:** Material Weakness in Internal Control over Compliance, Material Noncompliance

**Criteria:** Grant compliance requires that Community Development Block Grant loans be monitored for compliance with the loan provisions on a regular basis. Such loan requirements are required to ensure CDBG loan funds are used in accordance with all program requirements. The requirements are noted in the OMB 24 CFR 570.483 and 570.490.

**Condition:** During our test of the outstanding loans for continuing compliance, we noted the County did not have adequate documentation to support monitoring of program loans to ensure compliance with loan provisions for 12 of the loans. These 12 loans were investigated by the County, and it was discovered that residents had not responded to the Annual Residency Verification or provided Proof of Occupancy. The County was not able to start the foreclosure procedures to recover the receivable and the loans remained on the receivable listing.

**Questioned costs:** \$276,471

**Context:** CDBG loans must be monitored annually to ensure recipients are still living in the residence covered by the loan. CLA haphazardly selected 29 loans of a population of 241 CDBG loans to test continuing compliance and found that 12 of those loans did not have adequate documentation to show continued monitoring occurred.

**Cause:** Due to lack of staffing at the time of monitoring, the County was unable to perform foreclosure filing procedures in a timely manner after realizing loans were not in compliance and failed to remove them from the receivables listing.

**Effect:** Not following through on continual monitoring requirements could result in noncompliance with program requirements and could potentially cause an overstatement of program loan receivables reported by the County. After inquiry with the department, we believe there are no more loans that are affected by this control.

**COUNTY OF MADERA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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

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**Repeat Finding:** Repeat finding, 2021-001.

**Recommendation:** CLA recommends the County develop procedures to ensure that outstanding loan continuing compliance is documented and followed per the CDBG grant loan provision and that staffing allows for timely procedures. CLA also recommends the Community and Economic Development Planning Division include a compliance check box in the receivables listing sent to the Auditor-Controller's office to document the compliance status of the loans.

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



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