

COUNTY OF PLUMAS, CALIFORNIA



**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2022**

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COUNTY OF PLUMAS
Single Audit Act
For the Year Ended June 30, 2022

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**INDEPENDENT AUDITOR'S 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**

To the Board of Supervisors and the Grand Jury
County of Plumas
Quincy, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Plumas, California, (County) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 9, 2024.

Report on 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-002 through 2022-003 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-004 to be a significant deficiency.

To the Board of Supervisors and the Grand Jury
County of Plumas
Quincy, California

Report on Compliance and Other Matters

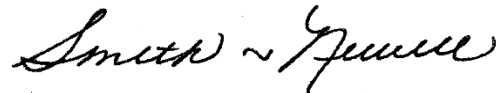
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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.

County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit are described in the accompanying management's corrective action plan. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.



Smith & Newell CPAs
Yuba City, California
April 9, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

To the Board of Supervisors and the Grand Jury
County of Plumas
Quincy, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Plumas, California's (County) 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's major federal programs for the year ended June 30, 2022. 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.

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, 2022.

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; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

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

To the Board of Supervisors and the Grand Jury
County of Plumas
Quincy, California

Auditor's 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'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 generally accepted auditing standards, 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's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement 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'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'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'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.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 that we consider to be material weaknesses.

To the Board of Supervisors and the Grand Jury
County of Plumas
Quincy, California

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 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

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.

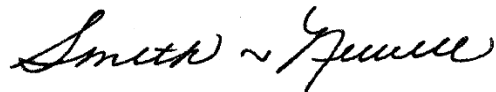
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The County'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, business-type activities, each major fund, and the aggregate remaining fund information of the County of Plumas, California, (County) as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated April 9, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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.



Smith & Newell CPAs
Yuba City, California
April 9, 2024

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COUNTY OF PLUMAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
State Department of Food and Agriculture: Plant and Animal Disease, Pest Control, and Animal Care	10.025	20-0199	\$ -	\$ 4,160
State Department of Public Health: Supplemental Nutrition Assistance Program	10.551	19-10363	-	134,551
State Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	10-Unknown	-	232,930
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - COVID	10.561	10-Unknown	-	6,848
SNAP Cluster (10.551 and 10.561)			-	374,329
Direct Program: Schools and Roads - Grants to States	10.665	-	-	1,356,360
Forest Service Schools and Roads Cluster (10.665)			-	1,356,360
Total U.S. Department of Agriculture			-	1,734,849
U.S. Department of Housing and Urban Development				
State Department of Health Services: Housing Opportunities for Persons with AIDS	14.241	19-10520	-	43,153
Total U.S. Department of Housing and Urban Development			-	43,153
U.S. Department of the Interior				
Direct Program: Payments in Lieu of Taxes	15.226	-	-	947,333
Total U.S. Department of the Interior			-	947,333
U.S. Department of Justice				
Direct Program: Drug Court Discretionary Grant Program	16.585	-	-	13,420
State Criminal Alien Assistance Program	16.606	-	-	2,000
Bulletproof Vest Partnership Program	16.607	-	-	5,278
Equitable Sharing Program	16.922	-	-	6,736
State Emergency Management Agency: Crime Victim Assistance	16.575	VW 2028 0320	-	74,892
Crime Victim Assistance	16.575	VW 2129 0320	-	89,937
Crime Victim Assistance	16.575	XC 2002 0320	-	32,608
Subtotal 16.575			-	197,437
Total U.S. Department of Justice			-	224,871

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF PLUMAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation				
Federal Aviation Administration:				
Airport Improvement Program	20.106	3-06-0020-014-2021	\$ -	\$ 14,504
Airport Improvement Program	20.106	3-06-0020-016-2021	-	9,000
Airport Improvement Program	20.106	3-06-0020-017-2021	-	22,000
Airport Improvement Program	20.106	3-06-0040-019-2020	-	33,880
Airport Improvement Program	20.106	3-06-0040-021-2021	-	9,000
Airport Improvement Program	20.106	3-06-0040-022-2021	-	21,502
Airport Improvement Program	20.106	3-06-0040-023-2021	-	20,919
Airport Improvement Program	20.106	3-06-0040-024-2021	-	22,000
Airport Improvement Program	20.106	3-06-0191-017-2020	-	23,808
Airport Improvement Program	20.106	3-06-0191-018-2021	-	18,905
Airport Improvement Program	20.106	3-06-0191-020-2021	-	14,429
Subtotal 20.106			-	209,947
State Department of Transportation:				
Highway Planning and Construction	20.205	BRLO-5909(029)	-	22,784
Highway Planning and Construction	20.205	BRLO-5909(079)	-	6,419
Highway Planning and Construction	20.205	BRLO-5909(080)	-	92,080
Highway Planning and Construction	20.205	BRLO-5909(082)	-	890
Highway Planning and Construction	20.205	BRLO-5909(083)	-	19,585
Highway Planning and Construction	20.205	BRLO-5909(092)	-	24,165
Highway Planning and Construction	20.205	BRLO-5909(093)	-	13,526
Highway Planning and Construction	20.205	BRLO-5909(094)	-	5,856
Highway Planning and Construction	20.205	BRLO-5909(095)	-	27,488
Highway Planning and Construction	20.205	BRLO-5909(096)	-	40,246
Highway Planning and Construction	20.205	BRLO-5909(097)	-	77,001
Highway Planning and Construction	20.205	BRLO-5909(100)	-	16,469
Highway Planning and Construction	20.205	BRLO-5909(101)	-	2,263
Highway Planning and Construction	20.205	RPSTPL-5909(116)	-	18,828
Highway Planning and Construction	20.205	HRRRL-5909(113)	-	396,864
Highway Planning and Construction	20.205	ER-32L0 (409)	-	83,276
Highway Planning and Construction Cluster (20.205)			-	847,740
Total U.S. Department of Transportation			-	1,057,687
U.S. Department of the Treasury				
Direct Program:				
Coronavirus State and Local Fiscal Relief Fund	21.027	-	-	584,685
Total U.S. Department of the Interior			-	584,685
U.S. Department of Health and Human Services				
Direct Program:				
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	-	-	243,315

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF PLUMAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services (Continued)				
State Department of Social Services:				
Promoting Safe and Stable Families	93.556	93-Unknown	-	7,660
Temporary Assistance for Needy Families	93.558	93-Unknown	-	365,556
Adoption Incentive Payments	93.603	93-Unknown	-	16,672
Stephanie Tubbs Jones Child Welfare Services Program	93.645	93-Unknown	-	21,026
Social Services Block Grant	93.667	93-Unknown	-	54,588
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	93-Unknown	-	14,008
Guardianship Assistance	93.090	93-Unknown	-	30,154
Guardianship Assistance - COVID	93.090	93-Unknown	-	3,586
Subtotal 93.090			-	33,740
Foster Care - Title IV-E	93.658	93-Unknown	-	556,905
Foster Care - Title IV-E - COVID	93.658	93-Unknown	-	22,454
Subtotal 93.658			-	579,359
Adoption Assistance	93.659	93-Unknown	-	258,043
Adoption Assistance - COVID	93.659	93-Unknown	-	31,347
Subtotal 93.659			-	289,390
State Department of Child Support Services:				
Child Support Enforcement	93.563	93-Unknown	-	359,396
State Department of Aging:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	IIIB-0412-18	-	30,000
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	IIIC-045-18	-	158,749
Special Programs for the Aging - Title III, Part C - Nutrition Services - COVID	93.045	IIIC-045-18	-	9,000
Nutrition Services Incentive Program	93.053	IIIC-045-18	-	24,617
Total Aging Cluster (93.044, 93.045 and 93.053)			-	222,366
State Department of Health Services:				
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	17-10228	-	49,402
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	19-10499	-	88,818
Children's Health Insurance Program	93.767	93-Unknown	-	7,556

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF PLUMAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services (Continued)				
State Department of Health Services (Continued):				
HIV Care Formula Grants	93.917	18-10881	\$ -	\$ 317,633
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	19-10439	-	3,134
Maternal and Child Health Services Block Grant to the States	93.994	93-Unknown	-	72,627
Medical Assistance Program	93.778	93-Unknown	-	813,944
Medicaid Cluster (93.778)			-	813,944
State Department of Emergency Services:				
Public Health Emergency Preparedness	93.069	93-Unknown	-	92,129
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative National Bioterrorism Hospital Preparedness Program	93.889	93-Unknown	-	170,260
State Department of Mental Health:				
Block Grants for Community Mental Health Services	93.958	93-Unknown	-	284,994
State Department of Alcohol and Drug Abuse Programs:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	10-NNA32	-	499,932
Total U.S. Department of Health and Human Services			-	4,607,505
Department of Homeland Security				
State Emergency Management Agency:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4301-DR-CA		509,511
Hazard Mitigation Grant	97.039	FEMA-4344-DR-CA	-	7,398
Emergency Management Performance Grants	97.042	2020-0006	-	128,980
Emergency Management Performance Grants	97.042	2020-0019	-	76,510
Emergency Management Performance Grants	97.042	2021-0015	-	121,155
Subtotal 97.042			-	326,645
Homeland Security Grant Program	97.067	2019-0035	-	95,279
Total Department of Homeland Security			-	938,833
Total			\$ -	\$ 10,138,916

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF PLUMAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

1. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Plumas. The County of Plumas 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 of Expenditures of Federal Awards. The information in this schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the County, it is not intended to, and does not, present the financial position, changes in net position or cash flows of the County.

2. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The accompanying Schedule of Expenditures of Federal Awards, is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in the notes to the County financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursements.

3. INDIRECT COST RATE

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the related federal financial assistance reports.

5. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the County's basic financial statements.

6. 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 and the identifying number is shown as unknown.

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COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements	<u>Status</u>
1. Type of auditor's report issued	Unmodified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	Yes
b. Significant deficiencies identified and not considered to be material weaknesses?	Yes
3. Noncompliance material to financial statements noted?	No
Federal Awards	
1. Internal control over major programs:	
a. Material weaknesses identified?	Yes
b. Significant deficiencies identified and not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	Yes
4. Identification of major programs:	
10.665 Schools and Roads – Grants to States	
15.226 Payments in Lieu of Taxes	
20.205 Highway Planning and Construction	
93.658 Foster Care – Title IV-E	
93.778 Medical Assistance Program	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
6. Auditee qualified as a low-risk auditee under 2 CFR Section 200.520?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

Reconciliation of Pooled Cash and Investments	2022-002
Apportionment of Quarterly Investment Earnings	2022-003
Financial Accruals in the Financial Statements	2022-004

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

10.665 Schools and Roads – Grants to States	2022-001
20.205 Highway Planning and Construction	2022-001
93.658 Foster Care – Title IV-E	2022-001
93.778 Medical Assistance Program	2022-001

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

2022-001 (Material Weakness)

Name:	Schools and Roads – Grants to States Highway Planning and Construction Foster Care – Title IV-E Medical Assistance Program
CFDA#:	10.665 20.205 93.658 93.778
Federal Grantor:	U.S. Department of Agriculture U.S. Department of Transportation U.S. Department of Health and Human Services
Pass-Through Entity:	State Controller's Office State Department of Social Services State Department of Health Services
Award No.:	Various
Year:	2021-22
Compliance Requirement:	Other

Criteria

Internal control over the Schedule of Expenditures of Federal Awards (SEFA) requires that individual County departments provide accurate Federal expenditure information to the County Auditor in a timely manner.

Condition

During our testing of major programs, we noted that the SEFA provided by the County at the beginning of audit fieldwork contained errors in the federal expenditures. Expenditures included on the SEFA provided at the beginning of the audit were less than actual expenditures by \$1,901,413 in the major programs listed above.

Cause

The County departments did not provide accurate information to include on the SEFA that was provided to us at the beginning of the audit.

Effect

The SEFA provided at the beginning of fieldwork was not materially correct and adjustments were needed to accurately reflect all Federal expenditures.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

The condition noted above was identified during our procedures related to reporting over the programs.

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

2022-001 (Material Weakness) (Continued)

Repeat Finding

This is a repeat of prior year finding 2021-001.

Recommendation

We recommend that the County departments provide the County Auditor with accurate federal expenditure information prior to the beginning of audit fieldwork.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Managements' Corrective Action Plan for views of responsible officials and management's responses.

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

2022-002 Reconciliation of Pooled Cash and Investments (Material Weakness)

Criteria

California Government Code Section 26905 states that not later than the last day of each month, the Auditor shall reconcile the cash and investment accounts as stated on the Auditor's books with the cash and investment accounts as stated on the Treasurer's books as of the close of business of the preceding month to determine that the accounts as stated on the books of the Treasurer are in agreement with the amount in those accounts as stated on the books of the Auditor.

Condition

We noted that as of June 30, 2022, there was an unreconciled difference between the County Auditor's general ledger and the Treasurer's cash and investment books of approximately \$42,000. We also noted that at the time of our fieldwork a reconciliation had not been completed for over a year. In addition, all investment earnings during that period had not been recorded.

Cause

The County implemented new accounting software system and staff was not completely trained in its operation.

Effect

There is an unreconciled difference as of June 30, 2022 between the Auditor's cash and the Treasurer's cash of approximately \$42,000 and investment records. In addition, earnings had not been recorded on the books of the County.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

We audited cash and investments in the normal course of the audit.

Repeat Finding

This is a repeat finding of prior year finding 2021-002.

Recommendation

We recommend that the County reconcile the Auditor's general ledger to the Treasurer's cash and investments records each month.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

2022-003 Apportionment of Quarterly Investment Earnings (Material Weakness)

Criteria

Investment earnings are to be apportioned each quarter based on each fund's average daily balance.

Condition

We noted that all investment earnings and gains and losses on investments were not recorded timely during 2021-22.

Cause

All investment earnings and gains or losses on investments were not recorded timely during 2021-22.

Effect

Investment earnings had not been apportioned timely.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

We examined the quarterly investment earnings apportionments during 2021-22.

Repeat Finding

This is a repeat finding of prior year finding 2021-005.

Recommendation

We recommend that all investment earnings be recorded in the apportionment fund and that investment earnings be apportioned each quarter.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

2022-004 Financial Accruals in the Financial Statements (Significant Deficiency)

Criteria

The County is required to record all accruals (accounts receivable, prepaids, accounts payable, etc.) in the County's financial statements.

Condition

At the time of our fieldwork, we noted that the County had not recorded approximately \$4,056,060 of accounts receivable due to the County at June 30, 2022 and approximately \$186,000 of retention and accounts payable owed by the County as of June 30, 2022.

Cause

The County had significant staff turnover during this period.

Effect

The financial statements did not include all accounts receivable and accounts payable and therefore did not reflect all income and expenses and significant audit adjustments were required.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

We reviewed deposits and expenditures subsequent to June 30, 2022.

Repeat Finding

This is not a repeat finding.

Recommendation

We recommend that subsequent deposits and expenditures be reviewed to determine if they should be accrued to the prior year.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

PLUMAS COUNTY AUDITOR/CONTROLLER

520 MAIN STREET • ROOM 205 • QUINCY, CA 95971-4111 • (530) 283-6249 • FAX (530) 283-6442
Martee Graham • AUDITOR/CONTROLLER



COUNTY OF PLUMAS, CALIFORNIA

Status of Prior Year Findings and Questioned Costs

and

Corrective Action Plan

For the Year Ended June 30, 2022

Compiled by: Martee Graham, Auditor-Controller

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COUNTY OF PLUMAS
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2022

Audit Reference	Status of Prior Year Audit Recommendations
2021-001	<p>Schools and Roads – Grants to States, Highway Planning and Construction, Foster Care – Title IV-E, Medical Assistance Program</p> <p>Recommendation</p> <p>We recommend that the County departments provide the County auditor with accurate federal expenditure information prior to the beginning of audit fieldwork.</p> <p>Status</p> <p>Not Implemented</p>
2021-002	<p>Audit Adjustments</p> <p>Recommendation</p> <p>We recommend that the County continue to reconcile pooled cash and investments in a timely manner and that any reconciled differences be identified and resolved within the month that they occur.</p> <p>Status</p> <p>Not Implemented</p>
2021-003	<p>Accountability of Capital Assets</p> <p>Recommendation</p> <p>We recommend that the schedules of capital assets be reconciled to the capital outlay expense account of the County records.</p> <p>Status</p> <p>Implemented</p>
2021-004	<p>Payment of Expenditures</p> <p>Recommendation</p> <p>We recommend that all accounts payable are logged into the accounting system and that all outstanding bills be paid or reviewed as to why payment was not being paid.</p> <p>Status</p> <p>Implemented</p>

COUNTY OF PLUMAS
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2022

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendations</u>
2021-005	Allocation of Interest Earnings Recommendation We recommend that interest earnings be apportioned each quarter timely. Status Not Implemented

COUNTY OF PLUMAS
Management's Corrective Action Plan
For the Year Ended June 30, 2022

2022-001 Schools and Roads – Grants to States, Highway Planning and Construction, Coronavirus Relief Funds, Foster Care – Title IV-E, Medical Assistance Program (Material Weakness)

We recommend that the County departments provide the County Auditor with accurate federal expenditure information prior to the beginning of audit fieldwork.

Management's Response: The County concurs with the findings.

Responsible Individuals: For 10.665 and 20.205: John Mannle, Director of Public Works
 Damien Frank, Administrative Service Officer

 For 93.658: Jennifer Bromby, DFO
 Neil Caiazzo, Director

 For 93.778: Dana Loomis, Director of Public Health
 DeLena Jones, Administrative Service Officer

Corrective Action Plan: For 10.665 and 20.205: Public Works has had a shortage of project engineers that has led to the issues that precipitated the audit finding of: expenditures reported on invoices for reimbursement from federal transportation programs being less than the expenditures noted by the audit. Project engineers are responsible for approving all invoices for reimbursement from federal transportation programs. Staff need to be reminded to repeatedly self-audit back through the time periods noted on previous invoices for reimbursement when preparing a new invoice. Changes or missed expenditures due to late postings or accruals by fiscal staff can then be found and added into the new reimbursement invoice. Discussions have been made among the management team to eliminate reporting issues.

 For 93.658: Social Services has reached out to another county regarding procedures for completing the schedules. They provided a copy of instructions for completing the schedule of expenditures of federal awards. Plumas County Social Services has now implemented those procedures going forward.

 For 93.778: Department of Public Health recognizes that the records for 93.778, CHDP-FC were not correct for FY 21/22. The Department experienced turnover during the time frame and the prior Administrative Service Officer had utilized a new software program and the new Administrative Service Officer was unfamiliar with the program. Public Health has changed the method in which they record receivables and expenditures since the original fieldwork was performed and currently keeps accurate and up-to-date records. The invoices and payments that were missed in FY 21/22 have been submitted and all receivables have since been recorded.

Anticipated Completion Date: We will have more formal communication with departments by June 30, 2024.

COUNTY OF PLUMAS
Management's Corrective Action Plan
For the Year Ended June 30, 2022

2022-002 Reconciliation of Pooled Cash and Investments (Material Weakness)

We recommend that the County reconcile the Auditor's general ledger to the Treasurer's cash and investments records each month.

Management's Response: The County concurs with the finding. The finding has been an ongoing issue since the County changed its financial system in July 2019.

Responsible Individual: Martee Graham, Auditor-Controller

Corrective Action Plan: Plumas County engaged in a contract with an outside consulting firm to help with the cash reconciliation within the financial system. The Plumas County Auditor-Controller Office utilizes positive pay to upload all warrants issued by the County and the Plumas County Treasurer-Tax Collector offices uploads BAI file daily to MUNIS and reconciles cash activities daily in an outside MUNIS program. It was identified that there had been instances of data failures that might have failed to reduce the bank-cleared warrants from the general ledger warrants payable balance in the Treasury fund in prior years. It was also identified that another report in the MUNIS system had an additional report on outstanding checks, which is now being utilized. The Plumas County Auditor-Controller also identified an issue that occurred in prior fiscal years that resulted in warrants being cleared through the County's financial institute. However, they never cleared the County's financial system, MUNIS, resulting in cleared warrants being voided and re-issued.

In FY 21/22 cash variances were identified after initial fieldwork had begun. Changes to cash and investments had to be accrued back into period 13 of FY 21/22. Interest had to be apportioned to all the pooled participants and a new trial balance was needed to continue the audit.

The Auditor-Controller and Treasurer-Tax Collector worked with the contracted consulting firm to develop a new procedure to balance cash within the MUNIS system to tie to the bank accounts monthly. We have created new templates and Excel reports to utilize monthly going forward for cash reconciliation. The County is now caught up to December 2023. The two departments are working with each other through a shared site to upload bank statements and reconciliation information going forward. The Auditor-Controller will continue to identify past cash outage issues from the time of implementation to the MUNIS system in July 2019.

Anticipated Completion Date: Reconciling cash will be a monthly procedure and the Auditor-Controller anticipates the FY 23/24 will be completely reconciled by June 30, 2024. The Auditor-Controller anticipates full cooperation from both departments to ensure that this is done in a timely manner.

COUNTY OF PLUMAS
Management's Corrective Action Plan
For the Year Ended June 30, 2022

2022-003 Apportionment of Quarterly Investment Earnings (Material Weakness)

We recommend that all investment earnings be recorded in the apportionment fund and that investment earnings be apportioned each quarter.

Management's Response: The Treasurer-Tax Collector acknowledges that the interest earnings were not recorded into the apportionment fund in a timely manner. The lack of recording all interest earnings to the apportionment fund delayed the process. There were many factors that occurred during this time and created the delay in these recordings and apportionments. Since this time, new software and Excel spreadsheets have been created so the recording of these earnings can be made timely.

Responsible Individual: Julie A. White, Treasurer-Tax Collector

Corrective Action Plan: New Excel spreadsheets have been created, making the booking of interest earnings into the apportionment fund more efficient. These spreadsheets will be used until the new investment software, Sympro, is implemented. The implementation process is starting April 2024. The interest apportionments are up-to-date as of December 31, 2023.

Anticipated Completion Date: Interest apportionments and earnings are current.

2022-004 Financial Accruals in the Financial Statements (Significant Deficiency)

We recommend that subsequent deposits and expenditures be reviewed to determine if they should be accrued to the prior year.

Management's Response: The County concurs with the finding. The Auditor-Controller's office lost three key employees during the fiscal year, leaving new employees to maintain year-end procedures. During the cash and investment reconciliation process, multiple accruals were identified after the fieldwork had begun.

Responsible Individual: Martee Graham, Auditor-Controller

Corrective Action Plan: The Auditor-Controller has not implemented new procedures going forward for accruals and proper back-up for each deposit into the Treasury is required at the time of processing. The Auditor-Controller staff are having ongoing training in year-end procedures. The Auditor-Controller and staff will have clearer communication to verify all accruals have been made prior to when the audit fieldwork begins. Clear communication with County Departments and new fiscal employees on the procedures will be given at year-end. Designating one employee to maintain the accrual information and work with the Auditor-Controller to ensure all accruals are recorded accurately.

Anticipated Completion Date: We will have more formal communication with departments by June 30, 2024.

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Supplemental Schedules

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COUNTY OF PLUMAS
Supplemental Schedule
California Department of Aging (CDA)
For the Year Ended June 30, 2022

A reconciliation of accrual basis expenditures as reported on the Financial Closeout Report to cash basis expenditures confirmed as of June 30, 2022 follows:

<u>Program</u>		Assistance Listing <u>Number</u>	Total <u>Expenditures</u>	Accrual <u>Adjustments</u>	Confirmed <u>Amount</u>
IIIB	Transportation	93.044	\$ 30,000	\$ -	\$ 30,000
IIIC-1	Congregate	93.045	85,565	-	85,565
IIIC-1	Congregate Nutrition Services Incentive Program	93.053	10,255	-	10,255
IIIC-2	Home Delivered Meals	93.045	48,016	-	48,016
IIIC-2	Home Delivered Meals FFCRA	93.045	25,168	-	25,168
IIIC-2	Home Delivered Meals CARES	93.045	9,000	-	9,000
IIIC-2	Home Delivered Meals, Nutrition Services Incentive	93.053	<u>14,362</u>	<u>-</u>	<u>14,362</u>
Total Expenditures of CDA Federal Awards			<u>\$ 222,366</u>	<u>\$ -</u>	<u>\$ 222,366</u>

The terms and conditions of contracts with CDA require agencies to display state-funded expenditures discretely along with the related federal expenditures. The following schedule is presented to comply with these requirements.

Assistance Listing <u>Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
93.044	\$ 30,000	\$ -
93.045	167,749	148,611
93.053	<u>24,617</u>	<u>-</u>
Total	<u>\$ 222,366</u>	<u>\$ 148,611</u>

COUNTY OF PLUMAS
Supplemental Schedule
California Emergency Management Agency (CalEMA)
For the Year Ended June 30, 2022

The following schedule represents expenditures for U.S. Department of Justice grants passed through the State of California, Emergency Management Agency (CalEMA), as well as CalEMA funded grant expenditures for the year ended June 30, 2022. This information is included in the County's single audit report at the request of CalEMA.

	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2021	For the Year Through June 30, 2022	Cumulative As of June 30, 2022	Federal Share	State Share	County Share
<u>VW 2028 0320 - Victim Witness Assistance Program</u>						
Personal services	\$ 82,243	\$ 58,274	\$ 140,517	\$ 58,274	\$ -	\$ -
Operating expenses	5,272	25,019	30,291	16,618	8,401	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 87,515</u>	<u>\$ 83,293</u>	<u>\$ 170,808</u>	<u>\$ 74,892</u>	<u>\$ 8,401</u>	<u>\$ -</u>
<u>VW 2129 0320 - Victim Witness Assistance Program</u>						
Personal services	\$ -	\$ 105,094	\$ 105,094	\$ 89,361	\$ 15,733	\$ -
Operating expenses	-	4,618	4,618	576	4,042	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 109,712</u>	<u>\$ 109,712</u>	<u>\$ 89,937</u>	<u>\$ 19,775</u>	<u>\$ -</u>
<u>XC 2002 0320 - County Victim Services Program</u>						
Personal services	\$ -	\$ 30,144	\$ 30,144	\$ 30,144	\$ -	\$ -
Operating expenses	-	2,464	2,464	2,464	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 32,608</u>	<u>\$ 32,608</u>	<u>\$ 32,608</u>	<u>\$ -</u>	<u>\$ -</u>
<u>XC 2103 0320 - County Victim Services Program</u>						
Personal services	\$ 26,569	\$ 23,387	\$ 49,956	\$ -	\$ 23,387	\$ -
Operating expenses	12,231	2,765	14,996	-	2,765	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 38,800</u>	<u>\$ 26,152</u>	<u>\$ 64,952</u>	<u>\$ -</u>	<u>\$ 26,152</u>	<u>\$ -</u>