

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



CPAs | CONSULTANTS | WEALTH ADVISORS

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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***

Board of Supervisors  
County of Humboldt  
Eureka, California

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Humboldt (the 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 July 22, 2024. Our report included an adverse opinion for the omission of the discretely presented component unit.

**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.

*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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 through 2022-002 that we consider to be material weaknesses.

**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*.

**The County of Humboldt’s Response to Findings**

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

**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 result of that testing, and not to provide an opinion on the effectiveness of the County’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  
July 22, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Supervisors  
County of Humboldt  
Eureka, California

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

***Opinion on Each Major Federal Program***

We have audited the County of Humboldt's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County 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.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County'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**

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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2022, and have issued our report thereon dated July 22, 2024, which contained an adverse opinion for the omission of 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. 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  
July 22, 2024

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

| Federal Grantor/Pass-Through Grantor/Program Title  | Federal Assistance Listing Number | Pass-Through Grantor's Number | Disbursements/ Expenditures | Passed- Through to Subrecipients |
|---|-----------------------------------|-------------------------------|-----------------------------|----------------------------------|
| <u>U.S. Department of Agriculture</u>   |                                   |                               |                             |                                  |
| Passed-through State Department of Public Health:   |                                   |                               |                             |                                  |
| Special Supplemental Nutrition Program for Women, Infants, and Children                     | 10.578                            | 19-10150 A02                  | \$ 1,021,897                | \$ -                             |
| Supplemental Nutrition Assistance Program (SNAP)  | 10.551                            | 19-10355                      | 248,215                     | -                                |
| Passed-through State Department of Social Services:   |                                   |                               |                             |                                  |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program      | 10.561                            |                               | 7,509,121                   | -                                |
| Subtotal SNAP Cluster   |                                   |                               | <u>7,757,336</u>            | <u>-</u>                         |
| Passed-through State Department of Education:   |                                   |                               |                             |                                  |
| National School Lunch Program   | 10.555                            |                               | 28,478                      | -                                |
| Subtotal Child Nutrition Cluster  |                                   |                               | <u>28,478</u>               | <u>-</u>                         |
| Passed-through CA Fire Safe Council:  |                                   |                               |                             |                                  |
| FLASH USDA Clearinghouse Grant  | 10.664                            | 12USFS-SFA0074                | 11,268                      | -                                |
| Direct Programs:  |                                   |                               |                             |                                  |
| Secure Rural Schools Title III  | 10.665                            |                               | 381,654                     | -                                |
| Total U.S. Department of Agriculture  |                                   |                               | <u>\$ 9,200,633</u>         | <u>\$ -</u>                      |
| <u>U.S. Department of Commerce</u>  |                                   |                               |                             |                                  |
| Passed-through National Oceanic and Atmospheric Administration:                             |                                   |                               |                             |                                  |
| Intertidal Coastal Marsh Restoration and Transportation Corridor Protection in Humboldt Bay | 11.473                            |                               | \$ 102,045                  | \$ -                             |
| <u>U.S. Department of Housing and Urban Development</u>                                     |                                   |                               |                             |                                  |
| Passed-through the State Department of Housing and Community Development:                   |                                   |                               |                             |                                  |
| CDBG Microenterprise Program  | 14.228                            | 16-CDBG-12992                 | \$ 1,873                    | \$ -                             |
| CDBG Microenterprise Program  | 14.228                            | 16-CDBG-12992                 | 138,263                     | 138,263                          |
| CDBG Boyd Road Homeless Shelter Improvements  | 14.228                            | 20-CDBG-CV1-00030             | 4,729                       | -                                |
| CDBG Redwood Rural Hospital Roads   | 14.228                            | 20-CDBG-CV1-00029             | 3,975                       | -                                |
| CDBG Program Income   | 14.228                            |                               | 2,478                       | -                                |
| CDBG - Outstanding Loans  | 14.228                            |                               | 2,513,051                   | -                                |
| Subtotal Federal Assistance Listing Number 14.228   |                                   |                               | <u>2,664,369</u>            | <u>138,263</u>                   |
| HOME Program Income Expenses  | 14.239                            |                               | 1,770                       | -                                |
| HOME Program Income Expenses  | 14.239                            |                               | 79,200                      | -                                |
| Outstanding Loan Balance  | 14.239                            |                               | 15,607,807                  | -                                |
| Subtotal Federal Assistance Listing Number 14.239   |                                   |                               | <u>15,688,777</u>           | <u>-</u>                         |
| Passed-through State Department of Public Health, Office of AIDS:                           |                                   |                               |                             |                                  |
| Housing Opportunities for Persons with AIDS (HOPWA)   | 14.241                            | 19-11126                      | 112,767                     | -                                |
| Continuum of Care Program (HART)  | 14.267                            | CA0313L9T221912               | 74,449                      | -                                |
| Total U.S. Department of Housing and Urban Development                                      |                                   |                               | <u>\$ 18,540,362</u>        | <u>\$ 138,263</u>                |
| <u>U.S. Department of Fish and Wildlife Management</u>                                      |                                   |                               |                             |                                  |
| Passed-through Fish and Wildlife Management Assistance:                                     |                                   |                               |                             |                                  |
| Klamath/Trinity Basin Fisheries Technical Assistance  | 15.608                            |                               | \$ 1,476                    | \$ -                             |
| Federal in Lieu - Public Land   | 15.226                            |                               | 1,041,030                   | -                                |
| Total U.S. Department of Fish and Wildlife Management                                       |                                   |                               | <u>\$ 1,042,506</u>         | <u>\$ -</u>                      |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF HUMBOLDT  
SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

| Federal Grantor/Pass-Through Grantor/Program Title                                    | Federal Assistance Listing Number | Pass-Through Grantor's Number | Disbursements/ Expenditures | Passed-Through to Subrecipients |
|---|-----------------------------------|-------------------------------|-----------------------------|---------------------------------|
| <b>U.S. Department of Justice</b>   |                                   |                               |                             |                                 |
| Passed-through Governor's Office of Emergency Services:                               |                                   |                               |                             |                                 |
| Victim Witness Assistance Program -VW   | 16.575                            | VW19370120                    | 191,714                     | -                               |
| Victim Witness Assistance Program - VW  | 16.575                            | VW20380120                    | 191,646                     | -                               |
| Underserved Victim Advocacy & Outreach Program - UV                                   | 16.575                            | UV19040120                    | 181,723                     | -                               |
| Underserved Victim Advocacy & Outreach Program - UV                                   | 16.575                            | UV20050120                    | 52,783                      | -                               |
| Child Advocacy Center Program - KC  | 16.575                            | KC19030120                    | 157,852                     | -                               |
| Child Advocacy Center Program - KC  | 16.575                            | KC20040120                    | 16,755                      | -                               |
| Subtotal Federal Assistance Listing Number 16.575                                     |                                   |                               | 792,473                     | -                               |
| Promoting Evidence Integration in Sex Offender Management Discretionary Grant Program | 16.203                            |                               | 79,050                      | -                               |
| Passed-through Office of Justice Programs:  |                                   |                               |                             |                                 |
| Byrne JAG Local Coronavirus Supplemental Grant  | 16.034                            |                               | 92,874                      | 24,308                          |
| Bulletproof Vest Program (BVP)  | 16.607                            |                               | 8,149                       | -                               |
| Byrne JAG Local Grant 2020  | 16.738                            |                               | 16,697                      | -                               |
| Byrne JAG Local Grant 2021  | 16.738                            |                               | 20,615                      | -                               |
| Passed-through Board of State and Community Corrections:                              |                                   |                               |                             |                                 |
| Byrne JAG State   | 16.738                            |                               | 191,673                     | 54,856                          |
| Byrne JAG Mental Health Training Grant  | 16.738                            |                               |                             | 16,434                          |
| Subtotal Federal Assistance Listing Number 16.738                                     |                                   |                               | 228,985                     | 71,290                          |
| Passed-through Drug Enforcement Agency:   |                                   |                               |                             |                                 |
| Domestic Cannabis Eradication/Suppression Program (DCE/SP) FY21                       | 16.unknown                        |                               | 105,955                     | -                               |
| Domestic Cannabis Eradication/Suppression Program (DCE/SP) FY22                       | 16.unknown                        |                               | 100,798                     | -                               |
| Total U.S. Department of Justice  |                                   |                               | \$ 1,408,283                | \$ 95,598                       |
| <b>U.S. Department of Labor</b>   |                                   |                               |                             |                                 |
| Passed-through State Employment Development Division (EDD):                           |                                   |                               |                             |                                 |
| Workforce Investment and Opportunity Act (WIOA) Adult                                 | 17.258                            | AA211007                      | \$ 261,222                  | \$ 235,100                      |
| Workforce Investment and Opportunity Act (WIOA) Youth                                 | 17.259                            | AA211007                      | 305,686                     | 275,117                         |
| Workforce Investment and Opportunity Act (WIOA) Dislocated Worker                     | 17.278                            |                               | 255,859                     | 230,929                         |
| Workforce Investment and Opportunity Act (WIOA) Rapid                                 | 17.278                            | AA11107                       | 102,293                     | 90,837                          |
| Workforce Investment and Opportunity Act (WIOA) Layoff Aversion                       | 17.278                            | AA11107                       | 30,581                      | 27,523                          |
| Subtotal Federal Assistance Listing Number 17.278                                     |                                   |                               | 388,733                     | 349,289                         |
| Passed-through State Workforce Development Board:                                     |                                   |                               |                             |                                 |
| Workforce Investment and Opportunity Act (WIOA) RPI 3.0                               | 17.258                            | AA001007                      | 259,834                     | 125,000                         |
| Workforce Investment and Opportunity Act (WIOA) RPI 4.0 PY 21/22                      | 17.258                            | AA111007                      | 342,235                     | 268,518                         |
| Subtotal WIOA Cluster   |                                   |                               | 1,557,710                   | 1,253,024                       |
| Passed-through State Workforce Development Board:                                     |                                   |                               |                             |                                 |
| Workforce Investment and Opportunity Act (WIOA) NDWG                                  | 17.277                            | A011007                       | 110,170                     | 100,989                         |
| Workforce Investment and Opportunity Act (WIOA) NDWG                                  | 17.280                            | A111007                       | 528,578                     | 516,374                         |
| Total U.S. Department of Labor  |                                   |                               | \$ 2,196,458                | \$ 1,870,387                    |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF HUMBOLDT**  
**SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

| Federal Grantor/Pass-Through Grantor/Program Title  | Federal Assistance Listing Number | Pass-Through Grantor's Number | Disbursements/ Expenditures | Passed-Through to Subrecipients |
|---|-----------------------------------|-------------------------------|-----------------------------|---------------------------------|
| <u>U.S. Department of Transportation</u>            |                                   |                               |                             |                                 |
| Direct Programs:                                    |                                   |                               |                             |                                 |
| Federal Aviation Administration                     | 20.106                            |                               | \$ 1,674,047                | \$ -                            |
| Federal Aviation Administration                     | 20.106                            |                               | 3,058,918                   | -                               |
| Subtotal Federal Assistance Listing Number 20.106   |                                   |                               | 4,732,965                   | -                               |
| Passed-through State Department of Transportation:  |                                   |                               |                             |                                 |
| Safe Routes to Schools                              | 20.205                            |                               | 52,549                      | -                               |
| Highway Bridge Replacement & Rehabilitation         | 20.205                            |                               | 1,352,617                   | -                               |
| Emergency Relief                                    | 20.205                            |                               | 11,963,436                  | -                               |
| Highway Safety Improvement Program                  | 20.205                            |                               | 1,080,975                   | -                               |
| Subtotal Highway Planning and Construction Cluster  |                                   |                               | 14,449,577                  | -                               |
| Total U.S. Department of Transportation             |                                   |                               | \$ 19,182,542               | \$ -                            |
| <u>U.S. Department of Treasury</u>                  |                                   |                               |                             |                                 |
| Direct Programs:                                    |                                   |                               |                             |                                 |
| COVID-19 American Rescue Act Plan                   | 21.027                            |                               | \$ 8,283,588                | \$ 4,370,850                    |
| Total U.S. Department of Treasury                   |                                   |                               | \$ 8,283,588                | \$ 4,370,850                    |
| <u>U.S. Environmental Protection Agency</u>         |                                   |                               |                             |                                 |
| Direct Programs:                                    |                                   |                               |                             |                                 |
| Brownfield Grant                                    | 66.818                            | BF-96986701-0                 | \$ 14,862                   | -                               |
| Brownfield Grant                                    | 66.818                            | BF-96986701-0                 | 245,062                     | -                               |
| Total U.S. Environmental Protection Agency          |                                   |                               | \$ 259,924                  | \$ -                            |
| <u>U.S. Department of Health and Human Services</u> |                                   |                               |                             |                                 |
| Passed-through State Department of Public Health:   |                                   |                               |                             |                                 |
| Pandemic Flu  | 93.074                            | 17-10155                      | \$ 19,672                   | \$ -                            |
| Public Health Emergency Preparedness (PHEP)         | 93.074                            | 17-10155                      | 184,113                     | -                               |
| Hospital Preparedness Program                       | 93.074                            | 17-10155                      | 182,511                     | -                               |
| ASPIRE  | 93.074                            | 17-10155                      | 33,207                      | -                               |
| Subtotal Federal Assistance Listing Number 93.074   |                                   |                               | 419,503                     | -                               |
| COVID-19 - ELC CARES                                | 93.323                            | 6NU50CK000539-01-08           | 136,270                     | -                               |
| COVID-19 - CALSRVSS Face ELC Enhancing Detection    | 93.323                            |                               | 918,318                     | -                               |
| COVID 19 - PHL LRN COVID                            | 93.323                            |                               | 106,619                     | -                               |
| CDPH Surveillance II                                | 93.323                            |                               | 51,765                      | -                               |
| CDPH Surveillance III                               | 93.323                            |                               | 25,520                      | -                               |
| Subtotal Federal Assistance Listing Number 93.323   |                                   |                               | 1,238,492                   | -                               |
| WorkForce Development                               | 93.354                            |                               | 301,050                     |                                 |
| HIV CARE Program X07                                | 93.917                            | 18-10867                      | 146,855                     | -                               |
| Maternal Child And Adolescent Health                | 93.994                            |                               | 367,309                     | -                               |
| Child Health and Disability Prevention              | 93.778                            |                               | 171,373                     | -                               |
| California Childrens Services                       | 93.778                            |                               | 259,485                     | -                               |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF HUMBOLDT**  
**SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

| Federal Grantor/Pass-Through Grantor/Program Title  | Federal Assistance Listing Number | Pass-Through Grantor's Number | Disbursements/ Expenditures | Passed-Through to Subrecipients |
|---|-----------------------------------|-------------------------------|-----------------------------|---------------------------------|
| <u>U.S. Department of Health and Human Services (Continued)</u>   |                                   |                               |                             |                                 |
| Passed-through the State Department of Health Care Services:  |                                   |                               |                             |                                 |
| CHDP - Health Care Program for Children in Foster Care  | 93.778                            |                               | \$ 168,502                  | \$ -                            |
| CHDP - HCPCFC Caseload Relief   | 93.778                            |                               | 67,112                      | -                               |
| CHDP - HCPCFC PMM&O   | 93.778                            |                               | 11,557                      | -                               |
| CHDP - HCPCFC Foster Care Administration  | 93.778                            |                               | 15,210                      | -                               |
| Medical Assistance Program (CEC)  | 93.778                            |                               | 10,442,028                  | -                               |
| Medical Administrative Activities   | Not Provided                      |                               | 875,333                     | -                               |
| Target Case Management  | Not Provided                      |                               | 214,806                     | -                               |
| Subtotal Medicaid Cluster   |                                   |                               | <u>12,225,406</u>           | -                               |
| Passed-through State Department of Social Services:   |                                   |                               |                             |                                 |
| Guardianship Assistance (CEC)   | 93.090                            |                               | 19,727                      | -                               |
| Guardianship Assistance (CA 800)  | 93.090                            |                               | 851,769                     | -                               |
| Subtotal Federal Assistance Listing Number 93.090   |                                   |                               | <u>871,496</u>              | -                               |
| Promoting Safe and Stable Families  | 93.556                            |                               | 184,622                     | -                               |
| Temporary Assistance for Needy Families   | 93.558                            |                               | 12,514,534                  | -                               |
| Temporary Assistance for Needy Families   | 93.558                            |                               | 8,527,468                   | -                               |
| Subtotal TANF Cluster   |                                   |                               | <u>21,042,002</u>           | -                               |
| Refugee and Entrant Assistance State Administered Program   | 93.566                            |                               | 2,978                       | -                               |
| Adoptions Incentives  | 93.603                            |                               | (3,941)                     | -                               |
| Stephanie Tubbs Jones Child Welfare Services Program  | 93.645                            |                               | 106,411                     | -                               |
| Foster Care Title IV-E (CEC)  | 93.658                            |                               | 7,724,235                   | -                               |
| Foster Care Title IV-E (CA 800)   | 93.658                            |                               | 2,403,664                   | -                               |
| Subtotal Federal Assistance Listing Number 93.658   |                                   |                               | <u>10,127,899</u>           | -                               |
| Adoption Assistance (CEC)   | 93.659                            |                               | 387,040                     | -                               |
| Adoption Assistance (CA 800)  | 93.659                            |                               | 6,819,188                   | -                               |
| Subtotal Federal Assistance Listing Number 93.659   |                                   |                               | <u>7,206,228</u>            | -                               |
| Social Services Block Grant   | 93.667                            |                               | 253,484                     | -                               |
| Social Services Block Grant   | 93.667                            |                               | 524,910                     | -                               |
| Subtotal Federal Assistance Listing Number 93.667   |                                   |                               | <u>778,394</u>              | -                               |
| Chafee Foster Care Independence Program   | 93.674                            |                               | 86,431                      | -                               |
| Passed-through SAMSHA:  |                                   |                               |                             |                                 |
| Drug Free Communities   | 93.276                            | 5H79SP080807-07               | 151,023                     | -                               |
| Community Mental Health Services Block Grant (MHBG)   | 93.958                            |                               | 836,525                     | -                               |
| COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) (MHBG supplemental) | 93.958                            |                               | 40,365                      | -                               |
| Subtotal Federal Assistance Listing Number 93.958   |                                   |                               | <u>876,890</u>              | -                               |
| COVID-19 - American Rescue Plan Act (ARPA) (SABG Supplemental)  | 93.959                            |                               | 54,234                      | -                               |
| COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) (SABG Supplemental) | 93.959                            |                               | 109,427                     | -                               |
| Substance Abuse Block Grant (SABG)  | 93.959                            |                               | 1,012,177                   | -                               |
| Subtotal Federal Assistance Listing Number 93.959   |                                   |                               | <u>1,175,838</u>            | -                               |
| Passed-through State Department of Child Support Services:  |                                   |                               |                             |                                 |
| North Coast Regional Department of Child Support Services   | 93.563                            |                               | 2,222,254                   | -                               |
| Direct Programs:  |                                   |                               |                             |                                 |
| COVID-19 - CARES Act Provider Relief Fund and American Rescue Plan (ARP)                                | 93.498                            |                               | 2,416,670                   | -                               |
| Total U.S. Department of Health and Human Services  |                                   |                               | <u>\$ 61,943,810</u>        | <u>\$ -</u>                     |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF HUMBOLDT**  
**SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

| Federal Grantor/Pass-Through Grantor/Program Title          | Federal Assistance Listing Number | Pass-Through Grantor's Number | Disbursements/ Expenditures | Passed-Through to Subrecipients |
|---|-----------------------------------|-------------------------------|-----------------------------|---------------------------------|
| <u>U.S. Department of Homeland Security</u>                 |                                   |                               |                             |                                 |
| Direct Programs:  |                                   |                               |                             |                                 |
| Disaster Grants - Public Assistance                         | 97.036                            |                               | \$ 2,716,679                | \$ -                            |
| Passed-through the Governor's Office of Emergency Services: |                                   |                               |                             |                                 |
| FEMA - COVID-19 Assistance                                  | 97.036                            |                               | 19,200                      | -                               |
| Subtotal Federal Assistance Listing Number 97.036           |                                   |                               | <u>2,735,879</u>            | <u>-</u>                        |
| Emergency Management Performance Grant FY20                 | 97.042                            |                               | 11,819                      | -                               |
| Emergency Management Performance Grant FY21                 | 97.042                            |                               | 145,750                     | -                               |
| Subtotal Federal Assistance Listing Number 97.042           |                                   |                               | <u>157,569</u>              | <u>-</u>                        |
| Homeland Security Grant Program FY19                        | 97.067                            |                               | 76,789                      | 52,127                          |
| Homeland Security Grant Program FY20                        | 97.067                            |                               | 92,226                      | 72,731                          |
| Subtotal Federal Assistance Listing Number 97.067           |                                   |                               | <u>169,015</u>              | <u>124,858</u>                  |
| Total U.S. Department of Homeland Security                  |                                   |                               | <u>\$ 3,062,463</u>         | <u>\$ 124,858</u>               |
| Total Expenditures of Federal Awards                        |                                   |                               | <u>\$ 125,222,614</u>       | <u>\$ 6,599,956</u>             |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF HUMBOLDT**  
**NOTES TO SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS**  
**JUNE 30, 2022**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Humboldt under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of 2 CFR 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 Humboldt County, it is not intended to and does not present the financial position or changes in net position of the County.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting and the accrual basis of accounting for program expenditures accounted for in governmental funds and proprietary funds, respectively, as described in Note 1 of the County's basic financial statements. 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.

**NOTE 3 PASS-THROUGH ENTITIES' IDENTIFYING NUMBER**

When federal awards were received from a pass-through entity, the Schedule shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County either determined that no identifying number is assigned for the program or was simply unable to obtain an identifying number from the pass-through entity.

**NOTE 4 INDIRECT COST RATE**

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



**COUNTY OF HUMBOLDT**  
**NOTES TO SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS**  
**JUNE 30, 2022**

**NOTE 5 LOANS WITH CONTINUING COMPLIANCE REQUIREMENT**

Outstanding federally funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2022 as follows:

| Federal<br>ALN | Program Title  | SEFA<br>June 30, 2022 | FY 21/22<br>Additions | Loans Outstanding<br>June 30, 2022 |
|----------------|--|-----------------------|-----------------------|------------------------------------|
| 14.228         | Community Development Block<br>Grants/States Program | \$ 2,513,051          | \$ -                  | \$ 2,491,220                       |
| 14.239         | HOME Investment Partnerships Program                 | 15,607,807            | 77,570                | 15,154,321                         |

**NOTE 6 OTHER LOANS**

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

| Federal<br>ALN | Program Title     | Outstanding Loans<br>June 30, 2022 |
|----------------|-------------------|------------------------------------|
| 66.818         | Brownsfield Loans | \$ 2,019,567                       |

**COUNTY OF HUMBOLDT  
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:

| <u>Opinion Unit</u>                  | <u>Type of Opinion</u> |
|--------------------------------------|------------------------|
| Governmental Activities              | Unmodified             |
| Business-type Activities             | Unmodified             |
| Major Funds                          | Unmodified             |
| Aggregate Remaining Fund Information | Unmodified             |
| Discretely Presented Component Unit  | Adverse                |

2. Internal Control over Financial Reporting:

- Material Weakness(es) Identified? \_\_\_\_\_ X \_\_\_\_\_ Yes \_\_\_\_\_ No
- Significant Deficiency(ies) Identified not  
Considered to be Material Weakness(es)? \_\_\_\_\_ Yes \_\_\_\_\_ X \_\_\_\_\_ None Reported

3. Noncompliance Matters to Financial Statements Noted? \_\_\_\_\_ Yes \_\_\_\_\_ X \_\_\_\_\_ No

**Federal Awards**

1. Internal Control over Major Programs:

- Material Weakness(es) Identified? \_\_\_\_\_ Yes \_\_\_\_\_ X \_\_\_\_\_ No
- Significant Deficiency(ies) Identified not  
Considered to be Material Weaknesses? \_\_\_\_\_ Yes \_\_\_\_\_ X \_\_\_\_\_ None Reported

2. Type of Auditors' Report Issued on Compliance for Major Programs: Unmodified

3. Any Audit Findings Disclosed that are Required to be Reported in Accordance with the Uniform Guidance? \_\_\_\_\_ Yes \_\_\_\_\_ X \_\_\_\_\_ No

4. Identification of Major Programs:

| <u>Federal Assistance Listing Number(s)</u> | <u>Name of Federal Program</u>           |
|---|--|
| 20.106                                      | Airport Improvement Program              |
| 21.027                                      | COVID 19 American Rescue Act Plan (ARPA) |
| 93.558                                      | Temporary Assistance for Needy Families  |
| 93.658                                      | Foster Care                              |
| 93.659                                      | Adoption Assistance                      |

5. Dollar Threshold used to Distinguish Between Type A and Type B Programs? \_\_\_\_\_ \$3,000,000 \_\_\_\_\_

6. Auditee Qualified as Low-Risk Auditee Under the Uniform Guidance, Section 520? \_\_\_\_\_ Yes \_\_\_\_\_ X \_\_\_\_\_ No

**COUNTY OF HUMBOLDT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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

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**2022 – 001**

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

**Condition:** The County did not present the discretely presented component unit, Fortuna Fire Protection District (District), in the reporting entity as required because the audited financial statements for the district 1) excluded the Volunteer Fire Department, a blended component unit of the District and 2) have been prepared on the modified cash basis of accounting and not the accrual basis of accounting.

**Criteria:** Generally Accepted Accounting Principles in the United States of America (GAAP) requires the County's financial statements to present the activities of the County and its component units.

While the governing board of the County appoints all the members of the district's governing board, the district should be discretely presented because its governing board is not substantively the same as the County's.

**Context:** The District represents the County's only discretely presented component unit.

**Effect:** Users of the financial statements are not able to completely rely on the District's financial statements since they may not be complete and accurate.

**Cause:** The District's records were not fully available for the audit.

**Repeat Finding:** Finding is a repeat finding from the prior year (2021-002).

**Recommendation:** We recommend the County work closely with the district to 1) report on all component units that make up the district, and 2) convert the District's financial statements from the modified accrual basis of accounting to the full accrual basis of accounting since the County is required to report its government-wide statements using the economic resources measurement focus and the accrual basis of accounting.

**Views of Responsible Officials:** There is no disagreement with the audit finding.

**COUNTY OF HUMBOLDT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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***Section II – Financial Statement Findings (Continued)***

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**2022 – 002**

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

**Condition:** During our audit of year-end receivables, we noted the following misstatements:

- During our audit of receivables, we noted the County had not recorded receivables totaling \$7.6 million from FEMA for approved project reimbursements.

**Criteria:** Generally Accepted Accounting Principles (GAAP) in the United States of America require that revenues for non-exchange transactions be recognized during the period when all eligibility requirements have been met or when resources are received, whichever is first. When modified accounting is used, resources should also be available.

**Context:** The proposed audit adjustments were material to the County's financial statements.

**Effect:** The County materially misstated receivables in both the Road Fund and Government-wide statements by \$9.2 million while misstating unavailable revenue in the Road Fund by \$9.2 million. The County materially misstated grant revenue and beginning net position in the government-wide statements by \$1.6 million and \$7.6 million, respectively.

**Cause:** The County performs a year end closing process that captures most receipts that should be accrued. Regarding FEMA, the County did not receive reimbursement for several eligible projects until months after year end, and the County had not established any procedures for identifying those eligible project expenditures for reporting approved by FEMA for reimbursement.

**Repeat Finding:** The finding is a repeat finding from the prior year (2021-003).

**Recommendation:** We recommend the County establish procedures to ensure subsequent receipts are reviewed for the correct recognition period. We further recommend the County work closely with its departments to ensure FEMA receivables and revenue are properly reported based on when eligible expenditures are formerly approved by FEMA.

**Views of Responsible Officials:** There is no disagreement with the audit finding.

**COUNTY OF HUMBOLDT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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***Section III – Federal Award Findings and Questioned Costs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



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