



# COUNTY OF HUMBOLDT

For the meeting of: 10/17/2023

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File #: 23-1252

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**To:** Board of Supervisors

**From:** Auditor-Controller

**Agenda Section:** Time Certain Matter

**Vote Requirement:** Majority

**SUBJECT:**

Presentation of Fiscal Year 2020-21 Audit

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Receive and file the audit reports prepared by CliftonLarsonAllen LLP (CLA), regarding the financial statements of the County of Humboldt for the fiscal year ended June 30, 2021.

**SOURCE OF FUNDING:**

General Fund

**DISCUSSION:**

CliftonLarsonAllen LLP has completed the audit of the financial statements of the County of Humboldt for the fiscal year ended June 30, 2021, and has issued its reports dated August 31, 2023. Those reports include the "Financial Statements" (Attachment 1), the "Single Audit Report" (Attachment 2), the "Governance Communication Letter" (Attachment 3), and the "Management Letter" (Attachment 4). Copies of the Financial Statements and the "Single Audit Report" have been distributed to the appropriate state and federal agencies in compliance with the Federal Single Audit Act and the California (CA) State Controller's Office mandates. The draft audit and financial statements were provided to the Audit Committee for review. CLA will present the reports to your Board and answer questions.

The Single Audit Report Schedule of Findings includes six findings, this is two less than the prior year. There were five financial statement findings and one federal award finding. The first five of the findings are "Material Weakness in Internal Control over Financial Reporting" and the other finding is "Significant Deficiency in Internal Control over Compliance". Five of the six findings are repeat findings from prior fiscal years. In response to the findings, the Auditor-Controller has submitted an action plan (Attachment 5). The action plan sets forth corrective actions based on the recommendations of CLA and is required to be included with the single audit submission.

Section 25250 of the California Government Code requires that the Board of Supervisors of each county audit the financial accounts and records of all officers having responsibility for the care, management, collection, or disbursement of moneys belonging to the county or money received or disbursed under the authority of law. Pursuant to Section 25250, a Board may employ the services of an independent Certified Public Accountant to perform an examination of the county's financial statements in accordance with generally accepted account standards.

The single audit is an organization-wide financial statement and federal awards' audit of a non-federal entity that spends \$750,000 or more in federal funds in a fiscal year. The single audit focuses on compliance with grants as well as the internal controls over compliance. For FY 2020-21, the county expended \$111.7 million in federal awards, well above the \$750,000 trigger for the single audit.

FINANCIAL IMPACT:

There is no financial impact to receiving the report.

STRATEGIC FRAMEWORK:

This action supports the following areas of your Board's Strategic Framework.

Core Roles: N/A

New Initiatives: Manage our resources to ensure sustainability of services

Strategic Plan: N/A

OTHER AGENCY INVOLVEMENT:

State Agencies: CA State Auditor, CA Department of Finance, CA State Controller's Office, CA Employment Development Department, and other state agencies.

Federal Agencies: Federal Aviation Administration, and the Office of Management and Budget.

County: All County departments and agencies who hold funds in the county's treasury.

All special districts governed by the Humboldt County Board of Supervisors: Fortuna Fire Protection District, Loleta Fire Protection District, Whitethorn Fire Protection District, Garberville Lighting District, Hydesville Lighting District, Loleta Lighting District, Rohnerville Lighting District, Weott Maintenance & Lighting District, Redcrest Street Lighting Maintenance District, Myers Flat Street Lighting Maintenance District, Pacific Manor Street Lighting Maintenance District, Humboldt County Flood Control District, Subzone 1-1, Janes Creek Storm Drain Maintenance District.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion.

ATTACHMENTS:

1. Financial Statements
2. Single Audit Report
3. Governance Letter
4. Management Letter
5. Corrective Action Plan

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**PREVIOUS ACTION/REFERRAL:**

Board Order No.: Click or tap here to enter text.

Meeting of: Click or tap here to enter text.

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